



BRANDEIS UNIVERSITY
Administrative Resource
Review Committee

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BRANDEIS UNIVERSITY
**Office of the Executive Vice President
and Chief Operating Officer**

Executive Summary

This section of the report summarizes the work of the Administrative Resources Review Committee (ARRC).

The Committee's work had two main aspects to it. First, the Committee examined staffing levels, compensation and trends. Second, it prospectively assessed possibilities for efficiencies and savings going forward.

Staffing Levels, Compensation and Trends.

The Committee analyzed staff complement levels and compensation, looking at both staff as a whole and at senior administrators specifically. The Committee found that staff levels in administrative areas are in line with comparable institutions but that in certain areas our staffing levels are lower than comparable institutions.

The Committee found that salaries for both staff and senior administrators tied closely to market levels for the positions in question. Additionally, the Committee found that staffing levels grew by 3.1% from 2004-2010, a lower percentage than either student or faculty growth.

Efficiencies and Savings

The second main task of the Committee—a prospective search for savings—is part of a broader effort on campus to secure Brandeis's financial future. The other aspects of this effort include the restructuring of Arts & Sciences academic programs via last year's CARS initiative and this year's Brandeis 2020 initiative; new revenue ideas proposed by the Bold Initiatives Group (BIG); and new financial targets for IBS, Heller and Rabb.

In this context, ARRC is making a distinct contribution to securing our financial future. Last year's administrative reductions amounted to 76 positions, 24 of which were in academic administration with the balance in other administrative areas. The dollar value of these cuts, which carry through the five-year financial plan, was approximately \$4 million. The ARRC report identifies an additional \$1.49 million-\$2.74 million in savings, with some achievable starting in 2011 and others achievable, as with ongoing academic initiatives, over a longer time period through 2015.

The initiatives proposed for savings are highlighted in the chart below. Please see the full report for detail on each initiative.

ARRC Recommendations

	Can be implemented with decision			Requires more analysis or collective effort		
	Item	Annual Savings	Timeline	Item	Annual Savings	Timeline
No Significant Investment	Energy contract *	\$200,000	immediate	RCM review **	N/A	2011
	IT initiatives *	\$90,000	2011	Institutional research **	N/A	2011
	Consortium Wellness	breakeven year one; growing to \$150,000	2011	Printing initiatives	to be studied	2011
	Space study	long term capital cost avoidance	immediate	Research ICR organization	to be studied	2011
				Consortium Procurement ***	Est \$600,000	2011
				Consortium joint Healthcare ***	Est \$500,000	2013
Significant Investment	Energy improvements *	\$1 million	subject to funding	Stand-alone Procurement	TBD	TBD
	IT Driven Utility savings *	\$200,000	2012			

* if implemented, are certain enough to be incorporated into 2011-2014 operating budget plan. Financial plan impact as follows: \$290,000 from items not requiring significant financial investment with an additional \$1.2 million from items requiring significant financial investment.

** does not in itself produce savings but represents important "infrastructure" to meeting efficiency goals

*** refer to report for details on estimate

Administrative Contribution

Based on the above chart, the prospective financial impact of ARRC recommendations is estimated at \$1.49 million - \$2.74 million through 2014. These can be thought of as incremental to administrative reductions that have already taken place.

Items ready to be scheduled into 2011 budget (Energy contract changes; IT initiatives)	\$290,000
Items to be accomplished by 2014 (Energy improvements; IT-driven utility savings)	\$1.2 million
<i>1. Subtotal lower end of range of ARRC</i>	<i>\$1.49 million</i>
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Items requiring further study or collective action (Consortium Procurement, Joint Health Care, Wellness)	\$1.25 million
<i>2. Cumulative subtotal indicating higher end of range of ARRC</i>	<i>\$2.74 million</i>
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BRANDEIS UNIVERSITY
Office of the Executive Vice President
and Chief Operating Officer

To President Jehuda Reinharz:

We are writing to provide you with a report relative to the work of the Administrative Resource Review Committee (“ARRC” or the “Committee”). Over the last several months the Committee has met weekly, and more recently bi-weekly, looking to accomplish its charge.

In addition to our internal discussions as a committee, we have also reached out to various campus constituencies to ask questions, get advice and seek new ideas. The committee has met with managers in a number of areas, including operations, LTS, student affairs, development and human resources. We established a web site that outlines our charge and that allows for email suggestions to be sent in to us. We have co-hosted two campus-wide forums seeking ideas from faculty and staff. And we intend to sponsor a survey of students also aimed at garnering suggestions and feedback. Throughout, we have undertaken our discussions with collegiality, and all members of the committee feel that its work has benefitted from the multiple perspectives brought to bear on the questions it faced.

While our report to you is complete, work remains to be done in a number of areas. As we will discuss below, certain aspects of our charge lent themselves better than others to a report submitted today. As we have found in analyzing similar work underway at other universities, the more difficult aspect of the charge—achieving efficiencies—requires a more sustained effort. In fact, as is likely to be the case with the academic restructuring now under discussion, it is unlikely that we will realize significant budget savings from ARRC initiatives in the near term.

Second, while the Committee was formed and charged in a stand-alone manner, we are highly attuned to the many other activities taking place on campus whose aims are similar to that of ARRC. The Bold Initiatives Group (BIG) is analyzing new revenue opportunities. CARS2 is looking deeply at aspects of academic restructuring.

All of these initiatives should not be viewed in stand-alone terms but should rather be thought of as comprising the emergence of a refreshed strategic view suitable to the great changes facing Brandeis as well as all of higher education in the wake of the economic tumult beginning in 2008. As such, ARRC's work (as well as the work of BIG and CARS2) needs to be considering in light of our integrated planning focus, and be considered as a key element of a newer strategic view.

In turn, those aspects of ARRC that are by necessity more tentative now will need to be made clearer over the next few months. The University needs a high degree of strategic clarity as it seeks approval in March of a 2011 budget and a longer-term financial plan.

Review of Charge

Before moving on to findings, we should start by revisiting the language of the charge. Our charge called on us to report on three aspects of administrative operations.

First, we were asked to examine staffing patterns and related administrative issues. We examined various aspects of these questions. Can we draw any conclusions about over-staffing or under-staffing in administrative operations? What about compensation? Can we draw any conclusions about staff compensation in general or senior administrative compensation in particular?

Second, what do we know about administrative and staffing trends over time? Can we glean useful insights from that kind of review?

Third, holding aside questions of levels and trends are there areas where we can find ways to do things more efficiently, with greater economy and/or in a way that supports the mission in a more productive way?

That three-way approach to our charge led us in turn to recognize a two-way division relative to the nature of the work to be undertaken. We found that our work could roughly be divided into 1) the descriptive and 2) the prescriptive. The first two of our charges are generally descriptive in nature in that they call on us to make reports, largely using objective data, about the past and the present. On the other hand, the third charge is prescriptive (and prospective) in nature. What might we do differently? What can we learn about best practices elsewhere?

The findings we present here that are more concrete in nature tend toward the descriptive, and address the first two charges. These will be discussed first. We will then move on to issues and recommendations related to the third charge dealing with gaining greater efficiencies.

As a final note in this section, let me mention that ARRC is committed to transparency. In that regard, and as a basic instructional device relative to our charge, we have assembled and posted on line for the first time the complete organizational charts for the entire university. They are available [here](#).

Charge 1: Trends

ARRC reviewed university staffing patterns. The following chart provides summary staffing data by division:

Division headcount as of 7/1/nn; includes vacancies; includes staff on leave	FY 2004	FY 2010	% change
Finance & Administration ¹	247 ²	265	7.3%
Communications	16	16	0.0%
Development	81	81	0.0%
General Counsel	4	3	-25.0%
President's Office	8	7	-12.5%
Students & Enrollment	152	164	7.9%
LTS	92	94	2.2%
Centers & Institutes	145	162	11.7%
Arts & Sciences	200	197	-1.5%
Heller School	70	44	-37.1%
International Business School	10	27	170.0%
Rabb School ³	11	11	0.0%
Provost - All other ⁴	28	35	25.0%
Brandeis National Committee	14	6	-57.1%
Total	1078	1111	3.1%

Notes:

1. Includes: Office of the EVP/COO, Financial Affairs & Treasury, Investment Management, Office of Budget & Planning, Facilities Services, Public Safety, Procurement, Card Office, Conference & Events & University Services, Office of Capital Projects, and Office of Human Resources

2. Reflects the in-sourcing of nineteen night custodians

3. Includes: Graduate Professional Studies, BOLLI and Summer School

4. Includes: Foster Lab, Office of the Arts, Office of Global Affairs, Office of High School Programs, Office of the Provost, Radiation Safety, Research Administration, Rose Art Museum, Technology Licensing Office

As shown in the above chart, overall headcount has grown by a little over three percent over the past seven years.

Note also that the two main areas of high growth in percentage terms and in absolute numbers (IBS and Centers/Institutes) represented growth from new activities. If we remove these from the analysis, staffing levels less growth from such new activities show a reduction of 2.1% over the period.

The following chart compares total administrative staffing to student and faculty headcount during the same period:

Category	FY 2004	FY 2010	% change
Undergraduate Students	3175	3317	4.5%
Graduate Students	1810	2281	26.0%
Total Students	4985	5598	12.3%
Administrative Headcount	1078	1111	3.1%
Total Faculty ¹	481	519	7.9%

1. Uses IPEDS definition of instructional faculty, not to include faculty serving in administrative positions or research-only faculty.

Charge 2: Staffing

Here, the committee has considered four aspects of staffing.

- Staff complements
- Staff compensation
- Administrative compensation
- Administrative complements

A word is in order about the distinction between “staff” and “administrative”. Administrators are, of course, part of staff. And when ARRC examined general staffing questions, we looked at all staff, including senior administrators.

However, the committee heard from a number of individuals (from both faculty and staff) who expressed the view that non-managerial staff had suffered the most from last year’s budget cuts and that further cuts in non-managerial staff were likely to be counter-productive. This view considered a highly detailed and comprehensive focus on staffing levels to be counterproductive and counterintuitive, considering the severe cuts made last year.

The committee also heard the view expressed that a distinction can be made between staff as a whole and the senior manager component of it. Accordingly, while the committee did in fact undertake some review of overall staffing complements, it opted as well to consider administrators, or senior managers, in separate fashion.

Staff Complements. Per the above discussion, the committee did not believe it would have been a wise use of time or resources to examine every unit on campus with an eye toward making conclusions about the appropriateness of staffing levels. As the committee reviewed similar committee work at other universities, it came to recognize that staff complement analyses have been emphasized to a much lesser degree than the search for better ways of doing things. Over time, our work has shifted towards a more strategic and prospective view. That said, an analysis of staff complements is part of our charge, and we concluded that a review of certain administrative areas was in order.

To date, the committee has examined staff complements in four areas: Human Resources, Development, Student Life and Custodial/Grounds. Each of these analyses used different comparative data suitable to the area under analysis.

All such comparative analyses have inherent limitations. Sometimes the best available data is not ideal. Different institutions organize activities differently, and it is not always immediately apparent from available data that an apples-to-apples organizational comparison is being made. Last, even if one can conclude comparative analyses are fair, as we did, they remain only inquiries into aggregate numbers. Such analyses can be highly suggestive of only one thing: whether one's overall staffing complement is reasonable considering comparative data available. This kind of analysis cannot tell you if staff is productive, if management problems exist or if processes can be improved. Still, the committee concluded that, in the absence of a much more extensive (and expensive) set of analyses, the comparisons presented and reviewed were generally useful.

The analysis of Human Resources can be found [here](#). ARRC looked at staffing complements at other local institutions—comparable colleges and universities belonging to the Boston Consortium. As you will note from the data, Brandeis's HR staffing seems well within the norm for comparative schools.

The analysis for Development is [here](#). Unlike an administrative unit such as HR, the proper metric for fundraising is one of fundraising effectiveness, typically expressed as “cents to raise a dollar”, or the relationship between the cost of fundraising and receipts. As in any other comparative analysis, a “cents to raise a dollar” analysis is not perfectly scientific in that different conditions at different institutions can color any mathematical comparison. Still, the methods used in such comparative work are relatively clear among fundraising professionals, and Brandeis's efficiency analysis follows relatively clear industry standards. At Brandeis, it costs about 11 cents to raise a development dollar. This is on the low side among large university fundraising efforts.

The analysis for Student Affairs is [here](#). Because of the diverse array of services provided by the Division of Students and Enrollment, the institutions and

specific metrics used as a basis for comparison varied by function. For example, for Admissions, the peer group that was selected included competitive schools which receive approximately the same number of applications as Brandeis, while Athletics used other AAU schools as a basis for comparison. Throughout Students and Enrollment, staffing levels are comparable to, or below, those at peer institutions. Furthermore, when compared to peers for efficiency, each area compares favorably to peers. For example, in admissions, each FTE handles 385 applications, placing them among the highest in their peer group. While in most areas within Student Life, the ratio of undergraduates to staff is among the highest in the AAU.

The analysis for custodial and grounds is available [here](#). It is a benchmarking analysis and peer comparison report provided by Sightlines which addressed the question of custodial and grounds staffing. The data revealed the following:

1. custodial staffing overall is in the normal range relative to comparable institutions.
2. the ratio of custodial supervisors to staff is low, resulting in productivity, quality and service consequences.
3. grounds staff is "stretched thin" in comparison with other institutions.

Another key issue that the report makes clear is the significant added burden that new square footage has placed on both the maintenance and custodial staffs, which have not increased with the increase in square footage.

Staffing Compensation. The university has sought over the past several years to bring staff compensation up to a market level, as it has done with faculty compensation. An analysis of overall staff compensation (available [here](#)) shows that, whereas Brandeis lagged comparable institutions in the recent past, salaries as a conglomerate are now generally competitive and market based. This is the result of a multi-year project in which over 390 positions were analyzed and had their compensations adjusted by over \$1.3 million. Additionally, the 725 new hires since January 2006 have been hired at competitive market levels. Finally, Human Resources completed over 150 additional compensation reviews across the University. This is not to say that there are no positions undercompensated when compared to the market median; but there are very few.

Brandeis does pay above market in certain areas. However, the individuals paid above market (specifically in food service and custodial) are not highly paid. The Committee recognizes that significant savings (over \$1 million annually) might accrue to the University were such positions to be paid at an external market level. However, the University decided some time ago for social justice reasons

not to pay such positions at market. Accordingly, the Committee did not feel it was within its charge to alter the University’s previous commitment on compensation relative to these areas.

As a whole, then, it is fair to conclude that Brandeis University compensates its staff at a fair level in terms of salary. However, while staff salaries are generally on market, total compensation still lags. That’s because other comparable schools offer a higher level of benefits than does Brandeis. Thus we have a gap when considering the matter in comparative terms. The overall gap is estimated at \$1.75M (analysis [here](#)). That is the number that would bring Brandeis’ benefits in line with peer institutions.

Administrative Compensation. Senior officer compensation is reviewed and approved annually by the trustee Personnel, Compensation and Ethics Committee. As part of this confidential annual trustee approval process the Personnel Committee, with assistance from national experts on higher education compensation, compares Brandeis senior officer compensation to peer institution senior officer compensation and establishes the reasonableness of Brandeis senior officer compensation in relation to peers.

The Committee was able to undertake its own more limited review by comparing salary information available to the Office of Human Resources with benchmarks from relevant peer institutions. The review encompassed salaries of senior administrators currently working at Brandeis, defined as those earning over \$150,000 annually. Of the 51 Brandeis employees earning more than \$150,000, 22 were administrators, and the remaining 29 were faculty. As shown in the chart below, six of the senior administrators are also members of the academy.

Category	Number earning >\$150K ¹	Average Years of service	Comparative Pay ²
Administrators	16	12.1	57.4% ⁴
Academic Administrators	6	4	50.5% ⁴

Notes:

1. This represents base salary, not total compensation.
2. Comparative pay is represented as percentile within the market for similar positions at peer institutions (50th percentile=market average)
3. Presidential compensation not included. The Committee did not believe it could adequately benchmark presidential compensation. In this instance, and as a general matter, the Committee relies on the review of the Personnel, Compensation and Ethics Committee for overall compensation reasonableness.
4. If all 22 administrators were paid at the market median the dollar difference in compensation would be a savings of \$70,800.

We additionally compared the top five and top ten paid positions to the market, with the following results.

Category	Average Years of service	Comparative Pay ²
Top 5 Salaries	5.2	57.4%
Top 10 Salaries	7.6	48.8%

Several caveats should be considered when viewing these data. It is difficult to establish a definitive market for every role at Brandeis. The ARRC relied on several accepted sources for secondary data on salaries, including CUPA (Peer), EduComp and TSG, as well as primary sources including interviews with human resources staff at peer institutions and personal contacts within AAUP to verify and enhance the quality of the data.

Also, this kind of comparative data can only illuminate the relationship of administrative compensation to the market. The Committee discussed whether the relationship between Brandeis’s administrative compensation to the market is a sufficient standard for consideration. Is a market standard a proper one for university employment in general? Opinions differed on how to consider the question of “fairness” above and beyond a market standard. The committee concluded that discussion about fairness can be highly worthwhile, as we found our own discussion to be. However, as a matter of institutional policy, most members of the committee concluded that the university ought to aim for market-based compensation in connection with all university employment, including administrators, staff and faculty.

Administrative Complements. The question to be asked here is this: does Brandeis have “too many” administrators in some fashion?

We have not yet analyzed this issue in detail, but we will be looking for a worthwhile methodology and will provide a report when complete. As with staff complements, problems of comparability make this a more difficult analysis than it seems at the outset. One can get a general sense of the matter, though, simply by examining our organization charts, [here](#). A review of these charts does not suggest to the Committee that we have too many administrators. An analysis of span of control shows that managers and supervisors at Brandeis have an average of 3.6 direct reports. This falls right within the three to five range that experts deem as most efficient. The structure of management in terms of scope of responsibilities, span of control and number of reports does not seem out of the ordinary.

Charge 3: Efficiencies and Economies

As discussed above, this is the aspect of the report that is somewhat more tentative, though we will outline some clear directions and offer clear recommendations where possible.

Context of Previous Cuts. As we were reminded on numerous occasions by staff we talked with, any search for savings through efficiencies has to contend with the effects of last year's significant cut in staff positions—a reduction of 76 positions, or roughly 6.4% of the workforce. While these cuts were implemented in an across-the-board manner, formally speaking (different units were allocated position cuts they had to meet), that did not mean that the implementing managers did not take efficiencies and economies into account in making the cuts. That is, some organization change has already occurred simply by virtue of the across-the-board cuts.

The opposite can also be true: the Committee was persuaded that in some instances staff was cut to the point at which a strategic orientation to work is not possible without first restoring some of positions and talents lost as a result of the cuts.

Further, with some staffing areas under pressure as a result of the cuts, the ability of efficiencies to actually generate new levels of savings can in some instances be questioned. New approaches may be possible that will enhance productivity, but it is harder to actually save money on a base that has already been significantly reduced.

Savings Premised on Collective Action. In some instances (procurement, for example) the most promising path to follow is a joint approach with other institutions because the bulk of the projected savings are tied to collective action. In this particular instance, ten of the main universities in the Boston area are now examining a consortial approach, and an implementable plan is likely to emerge in the next several months. But the uncertainties associated with any joint approach require us to treat such an issue in a somewhat tentative manner relative to a report.

Limitations of a Staff Committee Structure. Some aspects of administration typically require a level of expertise and a detailed focus that are beyond the capabilities of a staff committee meeting bi-weekly. For example, many for-profit and non-profit organizations undertake business process reviews, examining in great detail the flow of paper, signatures, decisions and approvals. Organizations often employ consultants to undertake this type of work. Currently, the committee does not endorse such a high-level consultant review because we have not yet been persuaded that it would be worthwhile in cost benefit terms.

However, we have opted to consider several lower-cost methods that may be helpful in providing more focus. First, we propose refocusing the efforts of our internal audit staff more in the direction of process reviews along these lines. Second, we may endorse targeted consultant interventions (particularly in the area of sponsored research) if we are persuaded that they are justified in cost benefit terms.

While much of the discussion about efficiencies was “inside out” in nature, with committee members offering their own views as to what areas at Brandeis might be most productive in terms of an efficiency review, we also undertook an “outside in” review. This entailed an understanding of how other institutions were examining similar questions at their institutions. Following the economic tumult of 2008, many universities are involved with efficiency-type reviews, and it was no surprise to the committee that many of the ideas at other places paralleled our thinking. Thus, we opted to use one highly regarded review of such initiatives as a kind of template. That review, entitled “Managing University Cost Reduction,” is available [here](#).

The report we employed as a template broke university efficiency inquiries into four “buckets”:

- Disciplining the “spend”. This line of work examines efficiencies related to goods and services the university pays for. The areas viewed as most productive by universities are procurement, health care and energy.
- Information technology efficiencies.
- Optimizing physical facilities.
- Enhancing the people organization

The report we are using as a template was written by a firm called the Advisory Board Company (ABC). That firm is a membership collaborative, using the ideas of its members to produce “best practice” reviews. We have been a member of ABC for some time through the Provost’s Office, with our membership entitling us to best practice reviews of academic issues. We recently enhanced our membership to include the separate capabilities of ABC in the areas of higher education finance and administration.

Our thoughts and recommendations in the efficiency area, broken out according the template we are employing, are as follows:

Disciplining the “spend”. Brandeis is already at work in all three of the areas cited in the report as the most productive: procurement, health care and

energy. In all three situations, we are working with other colleges and universities in the Boston Consortium. We also endorse a stand-alone program for printer efficiency.

On procurement, ten of the Consortium (Brandeis included) are moving forward with plans to develop a *joint purchasing collaborative*. A collaborative approach not only presents processing efficiencies but also allows for the potential for significant discounts because of the larger volume of purchases. McKinsey & Company advised the Consortium that savings on the order of 10%-14% of the appropriate “spend” could be anticipated in a joint approach involving all of the Consortium institutions.

Not all of the institutions have opted for the joint program, although ten of the fifteen institutions (including Brandeis) have opted to structure such a program. Since all of the details of the program are not yet worked out, we are not prepared to project savings on the order of 10%-14%. We propose scaling back to an initial goal to 2% of “spend”, with a longer-term goal to increase this percentage as confidence in the program grows. With a “spend” of approximately \$30 million, a goal of 2% savings equates to \$600,000.

It is possible that we may wish to consider a *stand-alone procurement improvement program*. In 2007, Brandeis analyzed such a stand-alone e-procurement initiative, concluding that longer term savings would be possible but only following a significant internal investment. Since the Consortium approach is likely to produce more savings with lower investment (and since the large investment under a stand-alone approach would be unnecessary in a consortium model), we recommend moving forward with the Consortium, and to consider the stand-alone investment if the consortium model proves infeasible.

On health care, the Consortium is working on a program that holds out promise for reduced costs. The *Health Management Initiative* (HMI) is a Consortium wide partnership with the area’s health care providers (in Brandeis’ case, Tufts Healthcare) to reduce future medical care costs. Through an increased focus on individual health awareness, new or increased health coaching and interventions, and perhaps premium incentives, we believe we can significantly reduce potential chronic medical claims, resulting in reduced claims. Additionally, utilizing a shared data warehouse, the Consortium schools can anonymously pool their collective claims data, allowing us for the first time to accurately compare the effectiveness of each of the major health care insurers.

HMI, while not necessarily generating significant short-term savings, is certainly expected to reduce the ongoing increases in our annual premiums (typically in the 9-10% range). Further, financial benefits from enhanced wellness accumulate over time.

HMI is viewed by the Consortium schools as a critical first step along the way toward the longer term goal of *joint purchase of health care coverage*. Consultants to the Consortium estimated that a joint approach would likely result in 10% savings to consortium members, an estimate that would yield approximately \$1.2 million at Brandeis. As with procurement, since the details of the program are not yet clear (and since, unlike procurement, joint health care purchase is approximately 2 years away from implementation) we are not willing to project this level of savings. However, savings would be quite significant even at significant lower levels, and this strongly suggests that the initiative be vigorously pursued.

An additional (non-Consortium) area that is being considered in the realm of health care is our insurance coverage. We are currently fully insured, which means that we pay premiums to an insurance company that then assumes the responsibility for paying all our claims. In addition to the amount they determine is needed to cover the risk, there is, of course, an amount added to cover overhead costs. An alternative would be to *self-insure*, thus recapturing a percentage of the premium. The costs to doing this include assuming all or a portion of the risk of high claims, as well as establishing the initial pool of funds to cover our claims. We endorse a full review of this option.

The Committee endorses two initiatives in the energy area. First, facilities staff has suggested that Brandeis consider *modifying its natural gas and electricity contracts* to take advantage of current market conditions for savings. Under current market conditions such an action would result in approximately \$200,000 in savings annually against the current budget, for a total of approximately \$800,000 over the four years of the extended contract.

Staff has also identified an important green initiative: another round of *mechanical investments capable of generating a positive financial return from utility savings*, as verified by comparison to prior work producing similar efficiencies as well as engineering estimates. This kind of efficiency requires an upfront investment that in turn provides for savings. A \$10 million investment would likely produce a net \$1 million annually, over and above financing costs. The Committee endorses this program.

The Committee endorses another green-based program: *a managed printing initiative*. This idea arose as part of the public forums that were held on campus, and the Committee thanks those who suggested looking into the printing question.

Printing and network technology have advanced greatly, with the result that best practice in the printing area is based on managed use of multiple function printers (MFP). At Brandeis we do not yet have such a managed approach, and

we rely to a significant extent on non-MFP devices linked to the network as well as stand-alone printers not linked to the network at all. Both of the latter types of printers are far more expensive in the long run than MFP devices, and far less environmentally friendly. Savings on this approach are now being estimated.

Information Technology. As part of its strategic planning for FY2010-FY2014, Library and Technology Services has not only undertaken its own internal review but has also reviewed best practices elsewhere.

The results of the strategic review and plan are available in the LTS Strategic Plan for FY2010-FY2014, accessible via the LTS Website [here](#)

As a result of their review of services, LTS has proposed a number of cost saving initiatives, listed below, which would result in immediate and ongoing savings.

- Proposed network infrastructure strategy would result in annual cost savings of \$200,000.
- Reduction of auxiliary telephony services would result in annual cost savings of \$6,500.
- Reduction of public desktop computing clusters would result in an immediate cost savings of \$45,000.
- Migration from locally supported email services to hosted email services would result in annual cost savings of \$35,000.

Adoption of Google Apps for non-restricted office productivity work would result in online storage and software licensing cost savings; specifically, migration from locally supported email services to hosted email services would result in annual cost savings of \$35,000.

Optimizing Physical Facilities. One issue that has recently been receiving heightened levels of attention at universities is how to ensure that available space is utilized efficiently. Doing so involves 1) having a thorough and accurate understanding of the spaces provided by existing physical facilities--their locations, sizes, and uses, and 2) having a broadly agreed-upon set of space allocation standards relative to which current allocations can be assessed. Improving efficiency in space use is compelling from multiple perspectives, as it is both less costly and far more environmentally responsible than creating new space.

Brandeis is currently taking the first steps toward developing a comprehensive space inventory, in accordance with the latest and widely accepted U.S. Dept. of Education standards, that will serve as the foundation for sound, well-informed decisions about space use and allocation at the University. This

initiative is not expected to produce significant operating budget savings in the short term, but can be expected in the longer term to assist in avoiding significant capital costs.

Organizational Changes. Here we see several themes that will need to be developed further going forward:

- **Research.** The University manages a robust research program in excess of \$55M, which is supported organizationally by both centralized and distributed resources for proposal development and all other pre-award activity, and both centralized and distributed resources for post-award accounting, monitoring, and compliance.

In the pre-award function, the Office of Research Administration (ORA), facilitates grant submissions for the faculty principal investigators (PIs) and supports the departmental administrators working with the faculty PIs. In the post-award function, Sponsored Research Accounting (SRA) is the central office charged with establishing and maintaining the fiduciary systems, reports, and controls to respond to the internal needs of the faculty PIs and departmental administrators, and also manages the requirements to respond to audit and governmental compliance policies, including business process reviews and training.

As noted previously, the Committee does not favor retaining a consultant in connection with a broad-based review of efficiencies. The Committee believes that such an effort would be costly and would at best identify the general areas we've identified in this report, without developing a plan of action. We make an exception to this view, however, with respect to the question of research. We are persuaded that a number of aspects of our research enterprise can be further analyzed with the possibility of significant savings. We believe that we can realize significant benefits from a closer analysis of our indirect cost reimbursement calculations.

The Committee heard concerns about “unfunded mandates”—i.e., pushing work off to in an inefficient manner to PIs. In this regard, the Committee endorses a full best practice review, and would not favor “false efficiencies” of the type described.

- **Centralizing administrative efforts.** Many universities concerned about their finances are reconsidering their decentralized character. Financial pressure seems to be creating a centralizing moment in the largely distributed world of large universities. Should Brandeis be part of that move?

The Committee has discussed this matter extensively but does not yet feel it has a workable answer, or at least an answer that will suit the different ways the university is decentralized. In part that is because Brandeis is not really a large research university of the type that is now seeking more centralization. We are to some extent anomalous—a fairly large research and graduate program on a relatively small liberal arts base. And even if we consider ourselves as having something of the “tub on own bottom” character of Harvard, we are still in the end a relatively straightforward place, with Arts & Sciences in the center and with only three areas of distributed activity: IBS, Heller and Rabb.

As a result, when we have considered the possible benefits of, say, centralizing admissions or marketing, we have not yet been persuaded that serious centralization will be productive or result in large savings. We will continue to analyze and discuss this area.

- RCM Model. It may be true, per the above, that we have fewer areas of decentralized activity than larger research universities and that centralization may not prove wise as a general proposition. But we do have, in Heller, IBS and Rabb, three important areas of this type. These three areas of the university operate under a form of the Responsibility Center Management (RCM) model.

The basic idea behind RCM is that, at a certain level of scale and complexity, colleges and universities should not attempt to manage finances on a purely centralized basis. The term “RCM” refers to a variety of approaches that seek to balance appropriate central fiscal requirements with the benefits of decentralized action. Typically, agreements are made that foster greater decentralized discretion, often justified on the basis of the establishment of proper incentives for managing revenues and costs.

The Committee favors continuing the RCM model for IBS, Heller and Rabb. In fact, the Committee believes that the model we employ can and should be improved for greater transparency, enhanced incentives for growth and appropriate central oversight. A best practice model for RCM is described [here](#). The Committee believes Brandeis should examine these best practices and consider implementing those viewed as beneficial. The Committee does not view RCM improvement as in itself generating savings, but rather views it as important element of our management “infrastructure”, where improvements to management structure can enhance financial results in the long run.

- Institutional Research. Throughout the Committee’s work, members remarked on numerous occasions that the process of data gathering was more difficult and time-consuming than they expected. After discussion of the matter, the Committee concluded that Brandeis’s lack of a unified approach to institutional research was probably a main contributing factor.

In comparison with many other colleges and universities (see report [here](#)), institutional data tends not to be assembled, or made consistent, in a consistent fashion. Often, data is viewed as being “owned” by a particular area. As a result, the Committee spent more time than it should have reconciling different views and producing reliable information. The Committee strongly suggests Brandeis either consider an Office of Institutional Research or, as an interim measure, create a cross-departmental initiative geared toward a more coherent approach to generating institutional data. As with RCM, this is an “infrastructure” idea rather than an approach that would directly generate new revenues.

Ideas from the Campus Community. The Committee received a number of suggestions from the campus community, either as part of the two public forums or via email. Some of these ideas are already under active consideration, including a shuttle bus to Riverside Station, elimination of superfluous emergency “red phones” in certain administrative offices and consideration of a parking fee to reduce demand for parking spaces on campus.

Other ideas that will be the subject of further analysis include:

- moving more aggressively to paperless communications, including a reduction of the number of internal publications that employ paper.
- a closer look into the efficiencies of internal catering.
- analysis of whether Brandeis might emphasize perennials in its landscaping program.
- the possible benefit of a 4-day summer work week, with the possible energy savings associated with full building closures.
- reduction in fax machines on campus.
- travel and the use of travel agencies.
- efficiencies in the reimbursement for travel.