




WVU BOARD OF GOVERNORS

**ASSESSMENT OF
STRATEGIC INITIATIVES
UNITS AND THE OFFICE
OF GENERAL COUNSEL**

September 15, 2023

The background of the slide features a photograph of a modern university building with large glass windows and concrete pillars. The scene is partially obscured by the green leaves and branches of trees in the foreground. A solid yellow horizontal bar is positioned at the top of the slide, above the text area.

Over the past decade, the University has worked to transform the administrative functions of the University to moderate costs and modernize business practices.

The Vice President for Strategic Initiatives and the General Counsel analyzed their units again by examining previous, current and potential future transformation efforts.

ASSESSMENT DETAILS

AREAS FOR ASSESSMENT



**AUXILIARY AND
BUSINESS SERVICES**



**CORPORATE
RELATIONS**



DINING SERVICES



FINANCE



**GOVERNMENT
RELATIONS**



**INFORMATION
TECHNOLOGY
SERVICES**



**LEGAL / GENERAL
COUNSEL'S OFFICE**



**REAL ESTATE
OPERATIONS**



SHARED SERVICES



**TALENT AND
CULTURE**



UNIVERSITY POLICE

WORK COMPLETED TO DATE

STRUCTURAL TRANSFORMATION COMPLETED 2014 – TO DATE

- ✓ Reorganization to Align Activities, Improve Service or Reduce Costs:
 - ✓ Moved Institutional Research from Strategic Initiatives to the Office of the Provost;
 - ✓ Moved Information Technology Services from the Office of the Provost to Strategic Initiatives;
 - ✓ Reorganized units previously under Finance and Administration into Strategic Initiatives; Restructured the Facilities unit into the Auxiliary and Business Services unit;
 - ✓ Consolidated the Health Sciences Information Technology Services unit with the University's primary Information Technology Services unit; and
 - ✓ Restructured the Real Estate Operations to combine the legal aspects of our leasing management operations with the management and oversight of the Public Private Partnerships.

STRUCTURAL TRANSFORMATION COMPLETED 2014 – TO DATE

- / Adopted New Organizational Structures for Undertaking Administrative Efforts and Streamlined Business Processes:**
 - / Implemented a new Shared Services model;**
 - / Implemented a new Human Resources Partner model; and**
 - / Developed standard contractual templates that have been pre-approved by the Attorney General to add efficiencies to our contracting and procurement processes.**
- / Executed an Agreement for a Contract Manager for Dining Services**

STRUCTURAL TRANSFORMATION COMPLETED 2014 – TO DATE

✓ Developed Cost-Savings Initiatives to Reduce Spend:

- ✓ Implemented a Voluntary Separation Incentives Program;
- ✓ Implemented strategic Procurement spend policies; and
- ✓ Developed energy management and savings initiatives.

✓ Improved Governance Matters:

- ✓ Reviewed, revised, submitted and obtained approval of all rules of the Board of Governors;
- ✓ Reviewed and reissued all rules of the University Police Department (“UPD”);
- ✓ Developed a newly revamped financial plan document for FY2024; and
- ✓ Developed a new system and manual to assist leaders in managing Student Employees.

**WORK CURRENTLY IN
PROGRESS**

STRUCTURAL TRANSFORMATION CURRENTLY IN PROGRESS

- ✓ Developing a new strategy for steam energy for University buildings for when the current contract expires in 2027
- ✓ Reorganization to Align Activities, Improve Service or Reduce Costs:
 - ✓ Restructuring the units within Talent and Culture by the end of calendar year 2023;
 - ✓ Moving award negotiation to the OGC from the Office of Sponsored Programs by mid-September;
 - ✓ Revising all internal human resources policies and procedures; and
 - ✓ Revising the University's Procurement Manual.

STRUCTURAL TRANSFORMATION CURRENTLY IN PROGRESS

- ✓ Leveraging new technologies to improve efficiency, reliability, and modernize systems and business practices, but executing projects within the WVU Modernization Project, including:
 - ✓ A new budget model (Fiscal Year 2024 will be a parallel year; Fiscal Year 2025 will be solely on the new budget model);
 - ✓ A new Electronic Research Administration (“ERA”) system, to be implemented on in phases from 2025 to 2027;
 - ✓ Appropriate data management and governance policies and systems, to be implemented on an ongoing basis;
 - ✓ An overhaul of student workflows and Customer Relationship Management (“CRM”) system, to be implemented on or before June of 2024;
 - ✓ A new financial system, to be implemented on or before July 1, 2026;
 - ✓ A new Human Resources Information System, to be implemented on or before July 1, 2026; and
 - ✓ A new Student Information System, to be implemented on or before 2029.

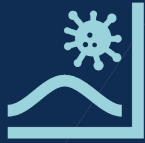
FEEDBACK SUMMARY AND EMERGING THEMES



Stakeholder Response Summary

A significant majority of the stakeholder responses to University surveys had a positive reaction to the operations of those units, but respondents made clear that there were instances in which responsiveness and engagement need to be improved.

STAKEHOLDER AND SELF-STUDY EMERGING THEMES



The process and implementation of several key efforts to standardize and centralize administrative processes to save costs, increase quality and allow for more strategic thinking by unit leaders were **significantly impacted by the pandemic and the financial challenges that the University is facing.**



The University is still working with **outdated and disjointed processes** in many areas, complicated by several legacy systems.



To improve customer service and provide the best chance to successfully implement the WVU Modernization Program projects, the University needs to undertake a **comprehensive review of administrative functions and processes** for better alignment, responsiveness and efficiency.

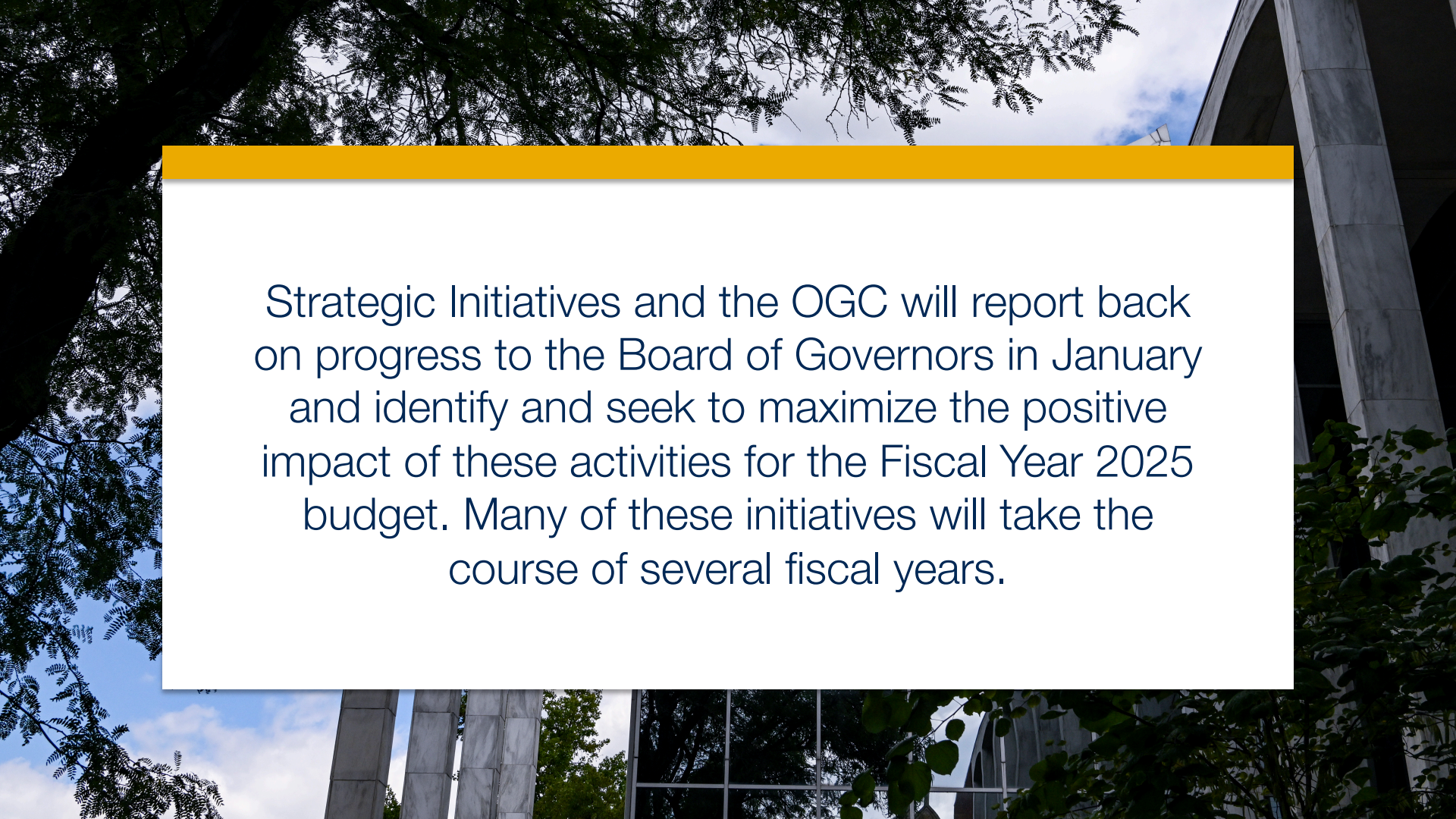
STRUCTURAL TRANSFORMATION RECOMMENDATIONS

STRUCTURAL TRANSFORMATION RECOMMENDATIONS

The following are large-scale recommendations for both reducing costs and increasing quality:

1	Enhance customer service by making transactional work more seamless, intuitive and value-added to the faculty of the University;
2	In conjunction with the WVU Modernization Program, review the business practices and policies of the institution to eliminate the use of shadow processes, duplication, inconsistencies and unnecessary costs;
3	Create better alignment amongst administrative units with a focus on adding strategic value given subject matter areas;
4	Enhance risk management efforts at the enterprise level where the management of positive and negative risk is a fundamental focus at all levels of the organization, including the creation of a University Risk Committee;
5	Develop regular engagement with Deans, Chairs and unit leaders to ensure that the Strategic Initiatives Units and the OGC have a clear understanding of unit goals and priorities and develop strategies to accomplish those goals and priorities;
6	Develop and implement a new contemporary benefits structure for classified and non-classified employees;
7	Develop a new end-to-end comprehensive payroll system better designed to meet the needs of the University;
8	Develop, implement and publish Key Performance Indicators (“KPIs”) relating to every Strategic Initiatives Unit and OGC; and task units with improving KPIs on a year-over-year basis, with a particular focus on new ways in which to identify potentially negative financial trends as soon as possible;
9	Continue to reduce the number of University fleet vehicles and improve fleet management;
10	Better integrate Health Sciences and overall University Facilities Management; and
11	Examine and move towards a new operating model for University budget officers.

**ASSESSMENT
RECOMMENDATION
NEXT STEPS**

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Strategic Initiatives and the OGC will report back on progress to the Board of Governors in January and identify and seek to maximize the positive impact of these activities for the Fiscal Year 2025 budget. Many of these initiatives will take the course of several fiscal years.

EMPLOYEE AND FINANCIAL METRICS

- ✓ As a general matter, most of the Strategic Initiative Units experienced both an FTE headcount reduction and a budget reduction, when comparing Fiscal Year 2018 (“FY2018”) data to Fiscal Year 2024 (“FY2024”) approved budgets.
- ✓ The OGC has increased its headcount by one since FY2018, by adding a person to serve as a Clery Act Coordinator (a compliance role necessary to perform certain federal regulatory functions).
- ✓ OGC’s budget has been largely stable, with increases to account for merit raise cycle to personnel and unique legal challenges that vary from year to year.
- ✓ Moreover, most units are at or below average levels when compared to appropriate peers (based on available data).

FINANCIAL METRICS

- When comparing the budgets of each of the Strategic Initiatives Units and the OGC between 2018 and 2024, several of the budgets of those units have declined on an actual basis when comparing FY2018 data to FY2024 data.
 - As an example, the operating budget for ABS has been reduced from \$56.7 million to \$51.2 million over the same timeframe, which is a reduction of approximately 10%.
 - The ITS expense budget in FY2018 was \$10.3 million and declined to \$6.7 million in FY2024.
 - Only the University Police Department has seen an increase in budget that materially exceeds the levels of inflation, resulting from the need to keep up with salary levels of local police units and invest in new technologies.

EMPLOYEE METRICS

- ✓ The Strategic Initiatives Unit and the OGC are down six director level and above positions compared to 2018, when including the elimination of the Vice President for Talent and Culture position.
- ✓ The number of FTEs of each of the Strategic Initiatives Units have declined between Fiscal Year 2018 and 2024
 - ✓ Auxiliary and Business Services has seen an FTE decline of 78 positions over that time frame, a 10% reduction of its workforce.
 - ✓ Information Technology Services is down 24 FTE, a 10% decrease.
 - ✓ Talent and Culture is down 5 FTE, a 7% reduction of its workforce.
 - ✓ The University Police Department is down 3 FTE, a 5% decrease.
- ✓ The Bureau for Labor Statistics online calculator indicates that \$100 of buying power in July of 2017 (the beginning of Fiscal Year 2018) would compare to \$124.88 of buying power currently, an increase of approximately 24%.

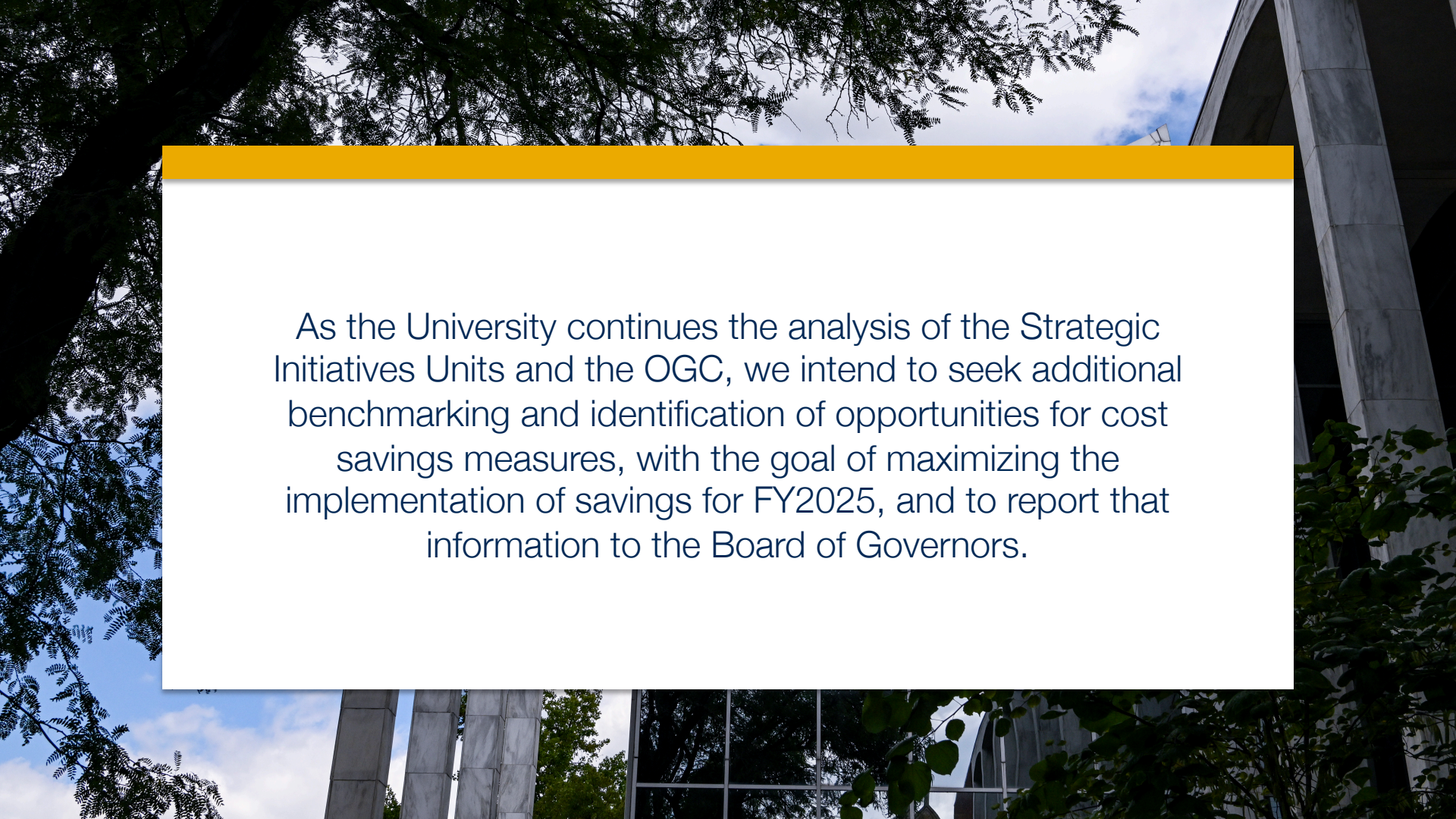
**EMPLOYEE
COMPARATIVE DATA
AND BENCHMARKING**

EMPLOYEE COMPARATIVE DATA AND BENCHMARKING

1	Facilities operating costs, which were found to be \$0.089 per gross square foot less than its peers, who averaged \$4.62/gsf.
2	The University has also more maintenance worker and grounds worker FTEs per supervisor than its peers.
3	WVU reduced its Facilities maintenance employees approximately 8% from 115 FTEs in FY2018 to 106 FTEs for FY2024. To maintain APPA Level 2, WVU needs 170 FTEs according to APPA standards.
4	With respect to custodial workers, the University works to maintain a minimum moderate level of cleanliness in our facilities, which equates to APPA Level 3 – According to APPA’s guidelines, the University would need 299 FTEs to maintain Level 3 . WVU currently has approximately 231 active FTEs.
5	University Roads and Grounds employees manage 10% more acres of land per FTE than our peers.
6	The CSHEMA tool indicates that WVU’s EH&S unit is below average in both funding and number of staff .

EMPLOYEE COMPARATIVE DATA AND BENCHMARKING

7	The University compared its EH&S unit to fourteen other units at institutions of similar size and determined that the University's EH&S unit is average in size when compared to peers.
8	Metrics developed by the Hackett Group to measure the Procurement organization and notes that cross-industry peer group on average spends 0.55% of spend on procurement with best-in-class spend of approximately 0.43%, yet WVU only spends 0.37% of its spend on procurement ; and the cross-industry peer group has 60 FTEs per \$1 billion in procurement spend with best-in-class having 42.4 FTEs per \$1 billion in procurement spend, yet WVU only has 33 FTEs per \$1 billion in spend.
9	Planning and Scheduling has less staff on average when compared to Big 12 and area peers.
10	The Sustainability unit has a current FTE count of 2 FTEs, the same as FY2018. WVU has fewer employees focusing on Sustainability than its peer institutions.
11	The Shared Services Center has never been considered fully staffed and has adjusted its personnel and workload accordingly as the financial and human resources transactional work has been fine-tuned and adjusted in the last three years. An external consultant recommended approximately 175 FTE for shared services at the University. The Shared Services unit has 123 FTEs for FY2024, which is a decrease from 129 FTEs in FY2020.
12	WVU reports a similar total number of crimes on the Annual Security and Fire Safety Report (2018-2012) as its regional peers but has a lower number of sworn police officers.

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As the University continues the analysis of the Strategic Initiatives Units and the OGC, we intend to seek additional benchmarking and identification of opportunities for cost savings measures, with the goal of maximizing the implementation of savings for FY2025, and to report that information to the Board of Governors.

QUESTIONS?