

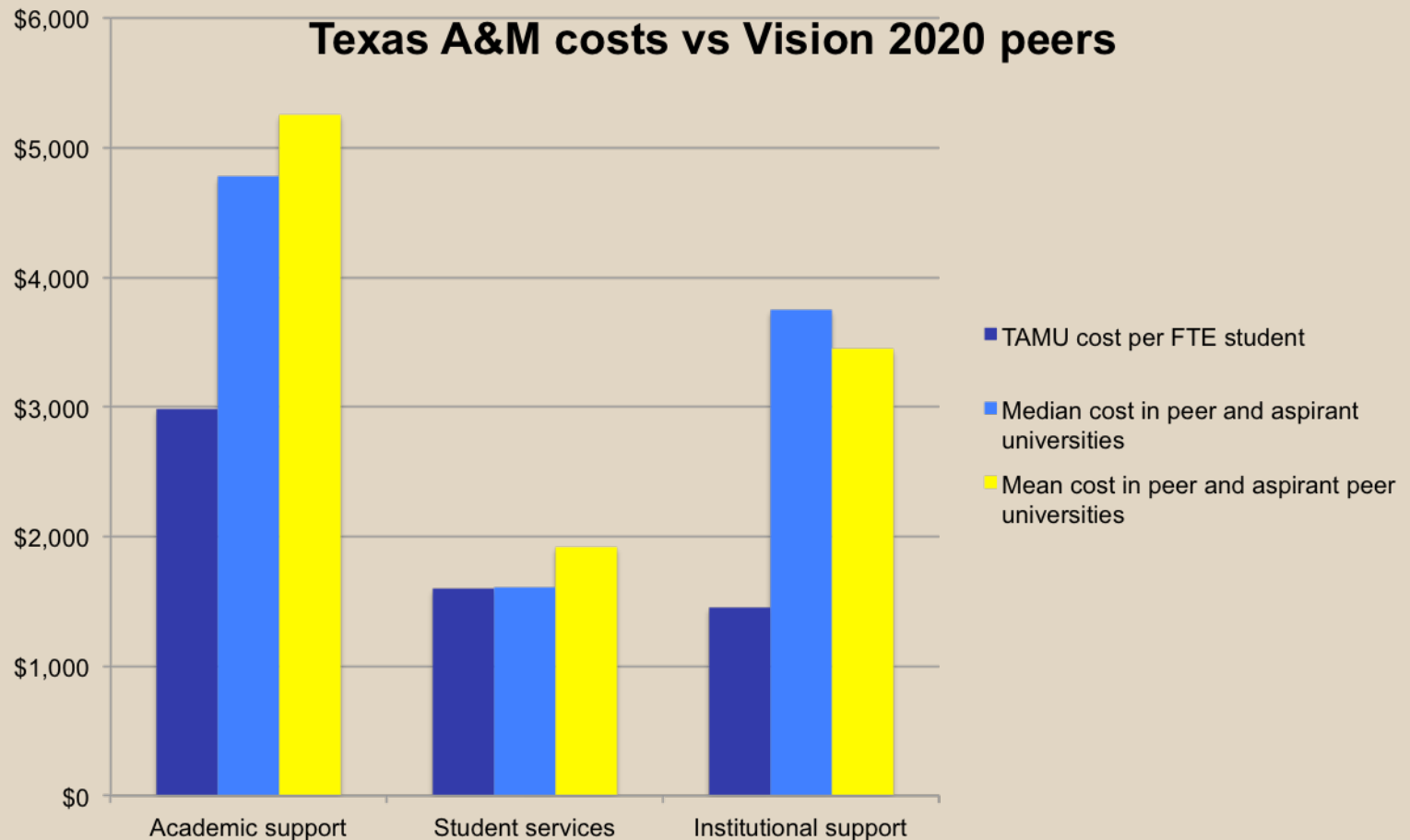


# Leadership Steering Committee Report

Response to Administrative Review of  
Texas A&M University  
conducted by PwC

# The starting point

The PwC report recognizes that Texas A&M University is already highly efficient relative to the leading national public research universities



# The challenges identified by PwC

A highly decentralized and siloed structure that divorces leadership from oversight and control of critical resource decisions.

Numerous small departments with significant administrative infrastructure.

Inadequate and antiquated financial management and human resources systems.

*(PwC report p. 13)*

The PwC report identifies potential savings and internal reallocations of up to **\$142.8 million** for Texas A&M University (including Galveston and HSC) **over the 5 year period FY15 – FY19**

Proposed initiatives:

- Review of vacant positions

- Staffing analysis

- Span of control analysis

- Synergies through HSC integration

- Completed effectiveness initiatives at main Campus, HSC, and Galveston
- Recommended budgetary actions
- Recommended organizational actions
- Recommended process actions

# Completed effectiveness initiatives

TAMU effectiveness initiatives and other efficiency gains completed since June 1, 2013 have resulted in internal reallocations of

**\$7,997,800 in annually recurring, budgeted funds**

**\$1,762,407 in one-time funds**

These funds have been redirected to supporting the core mission of teaching, research, and extension/outreach

# Examples of effectiveness initiatives

Unit	Effectiveness initiative
<b>Colleges/Branch Campus</b>	
Education and Human Development	Consolidated IT services at the college level
Dwight Look College of Engineering	Consolidated business services at college level
Liberal Arts	Consolidated IT services at the college level
Texas A&M at Galveston	Outsourced dining services, facilities, and custodial services
<b>Divisions</b>	
Student Affairs	Consolidated IT services and virtualized servers
Undergraduate Studies (Academic Affairs)	Created Academic Success Center
Academic Affairs	Academic Affairs Business Services provides business services for all units in the division
Finance and Administration	“Insourced” utilities maintenance

# Recommended budgetary and related actions (1)



The committee recommends actions that will make available for internal reallocation

**\$13,681,299 (= \$17,144,893 in total compensation) of annually recurring funds**

**\$3,344,551 in one-time funds**

These funds will be used at the direction of the president to support excellence and to move Texas A&M University closer to our goal of becoming a top-10 public research university



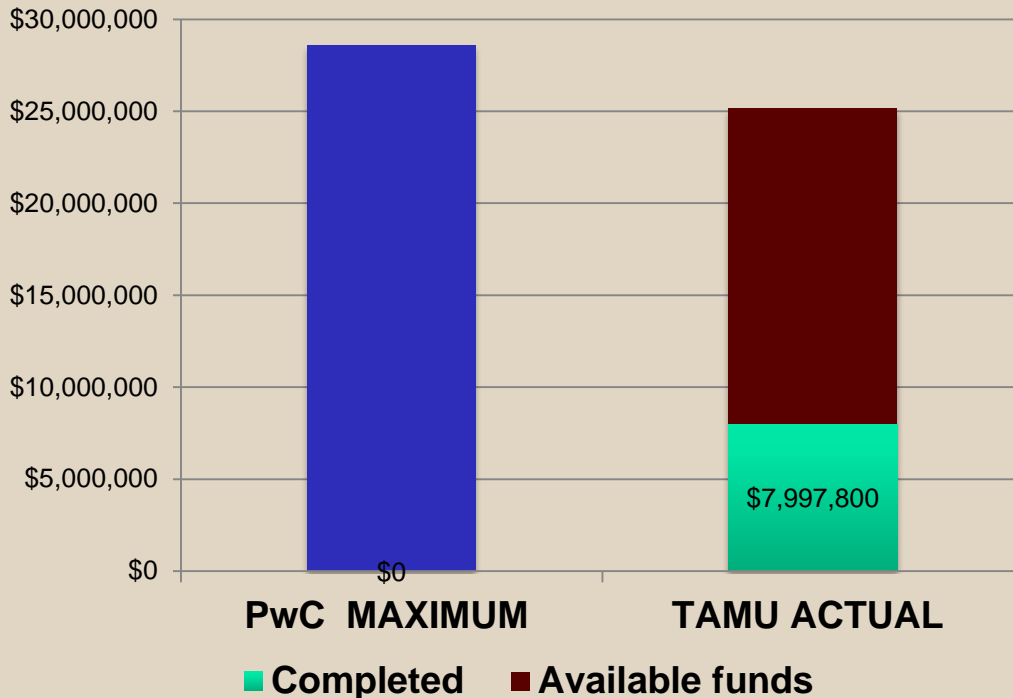
# Recommended budgetary and related actions (2)

- Central retrieval of all salary savings from non-faculty vacant positions
- Central retrieval of base budget funds for vacant positions identified through PwC analysis
- Outsourcing of enrollment and other student services in HSC to Main Campus [completed August 2014]
- Elimination of cell phone allowances (except for first responders and emergency personnel)

# Summary

Campus	Action	Annual recurring \$	Adjusted annual total	5-year total recurring \$	One-time	Total for reallocation
Main	College effectiveness initiatives	\$2,129,471	\$2,129,471	\$10,647,355	\$1,033,647	\$11,681,002
Main	Division effectiveness initiatives	\$2,502,103	\$2,502,103	\$12,510,515	\$98,760	\$12,609,275
HSC	Effectiveness initiatives	\$1,681,651	\$1,681,651	\$8,408,255	\$630,000	\$9,038,255
Main	Vacant academic positions reallocated	\$394,885	\$505,453	\$2,527,264		\$2,527,264
Main	Vacant positions reallocated	\$545,991	\$698,868	\$3,494,342		\$3,494,342
TAMUG	Vacant positions reallocated	\$375,198	\$480,253	\$2,401,267		\$2,401,267
Main	Vacant position base retrieval	\$901,398	\$1,153,789	\$5,768,947		\$5,768,947
HSC	Vacant position base retrieval	\$823,001	\$1,053,441	\$5,267,206		\$5,267,206
Main	Vacant position salary savings	\$5,988,303	\$7,665,028	\$38,325,139	\$2,222,964	\$40,548,103
HSC	Vacant position salary savings	\$3,462,731	\$4,432,296	\$22,161,478	\$951,733	\$23,113,211
TAMUG	Vacant position salary savings	\$576,987	\$738,543	\$3,692,717	\$169,854	\$3,862,571
HSC	Savings: outsourcing and integration	\$616,960	\$789,709	\$3,948,544		\$3,948,544
Main	Elimination of communications allowances	\$1,312,087	\$1,312,087	\$6,560,433		\$6,560,433
	Completed internal reallocations	<b>\$7,629,299</b>	<b>\$7,997,800</b>	<b>\$39,988,999</b>	<b>\$1,762,407</b>	<b>\$41,751,406</b>
	New funds identified for reallocation	<b>\$13,681,467</b>	<b>\$17,144,893</b>	<b>\$85,724,465</b>	<b>\$3,344,551</b>	<b>\$89,069,016</b>
						<b>\$130,820,422</b>

# Total annual reallocation



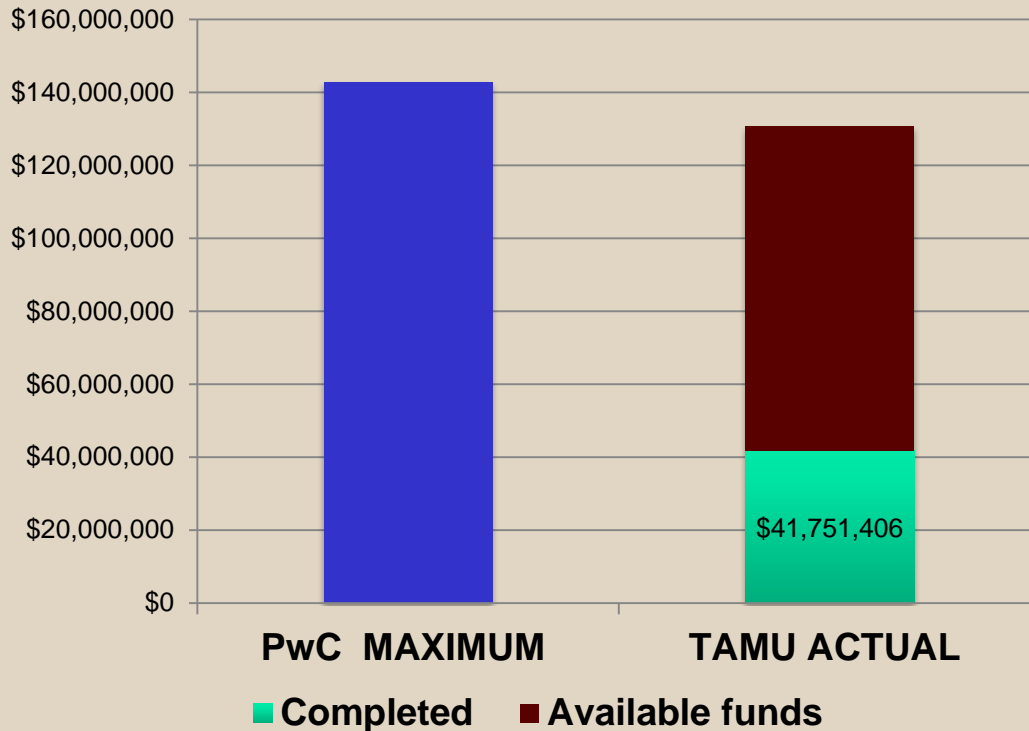
All numbers include benefits at 28%

Includes both completed actions and recommended actions

PwC projected = \$28,560,000 (upper bound)

**TAMU achieved = \$25,142,693**

# Total 5-year reallocation



All numbers include  
benefits at 28%

Includes both  
completed actions and  
recommended actions

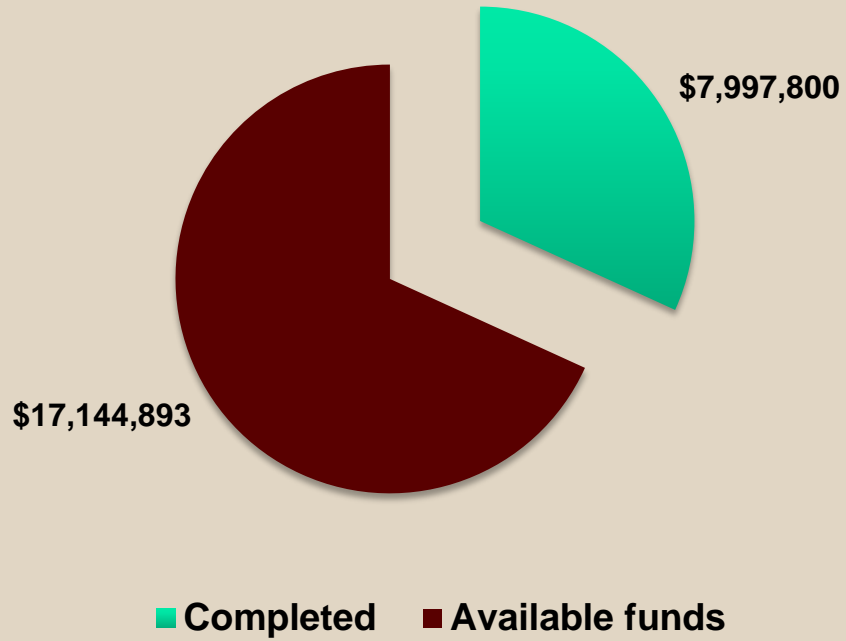
PwC projected = \$142,800,000 (upper bound)

**TAMU achieved = \$130,820,422**

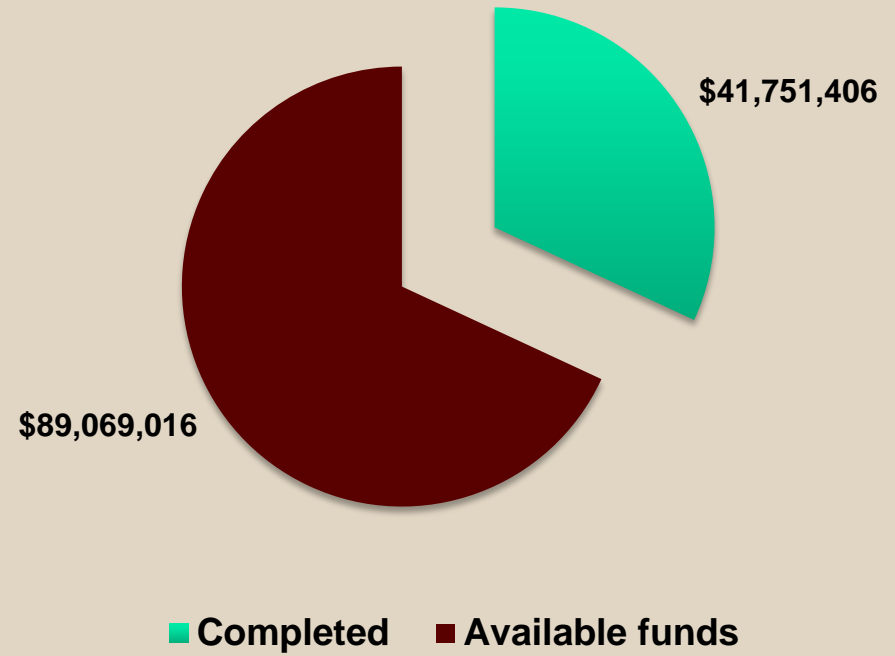
# New available funds vs. initiatives completed since 6-1-13



### ANNUAL REALLOCATION



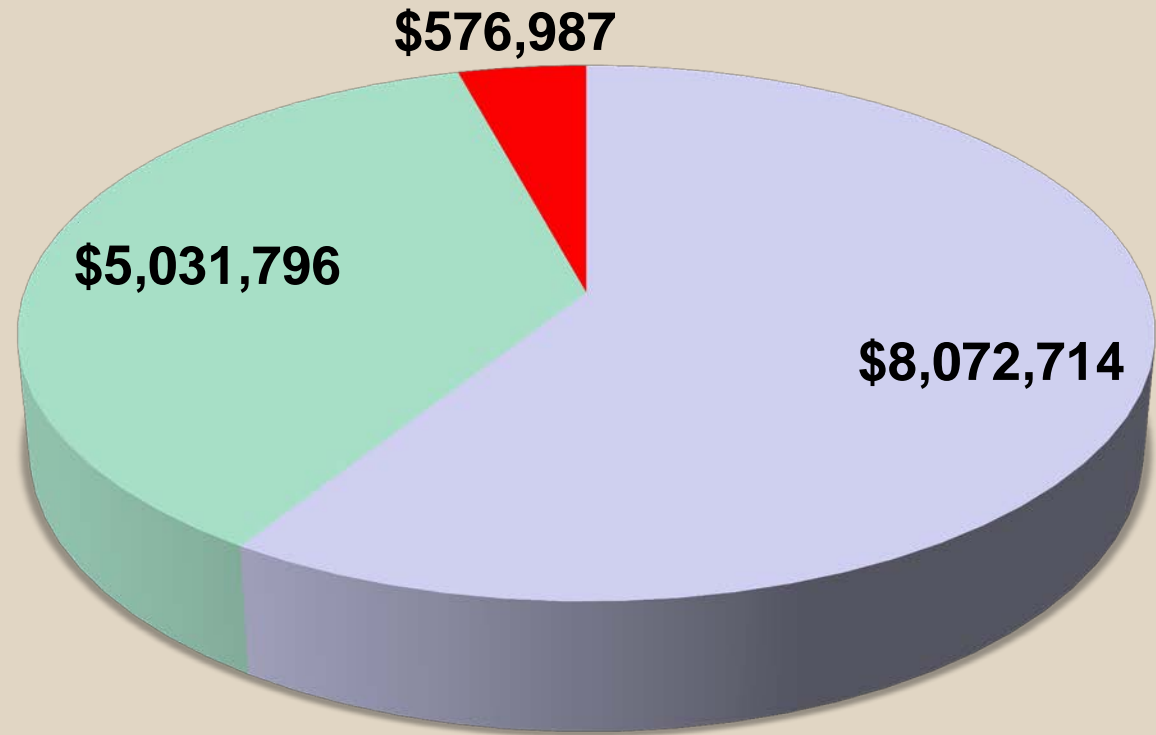
### 5 YEAR TOTAL



All numbers include benefits at 28%

# Total annual funds to invest in excellence

**TOTAL =  
\$13,681,467**



These numbers **do not** include benefits

■ Main campus ■ HSC ■ Galveston

# Recommended organizational actions (1)



- Carry out a one-time review of all budgeted non-faculty vacancies across the different components and units of Texas A&M University
- Replace hiring freeze with process of requiring approval and justification for filling non-faculty vacancies
- All deans and vice presidents will implement a span of control analysis in their respective units

# Recommended organizational actions (2)

- Vice Presidents responsible for the following units identified through PwC staffing analysis as having staffing ratios significantly above peers will report to President on size, organization, and functional responsibilities of the following units

Office of Admissions, *Main Campus*

[Provost & Executive Vice President]

Office of the Controller, *Main Campus*

[VP, Finance & Administration]

Office of Finance and Administration, *Health Science Center*

[Executive Vice President, HSC]



# Recommended organizational actions (3)



All colleges/divisions will submit plans to consolidate

Information technology

Business services

Communication

Undergraduate advising (colleges only)

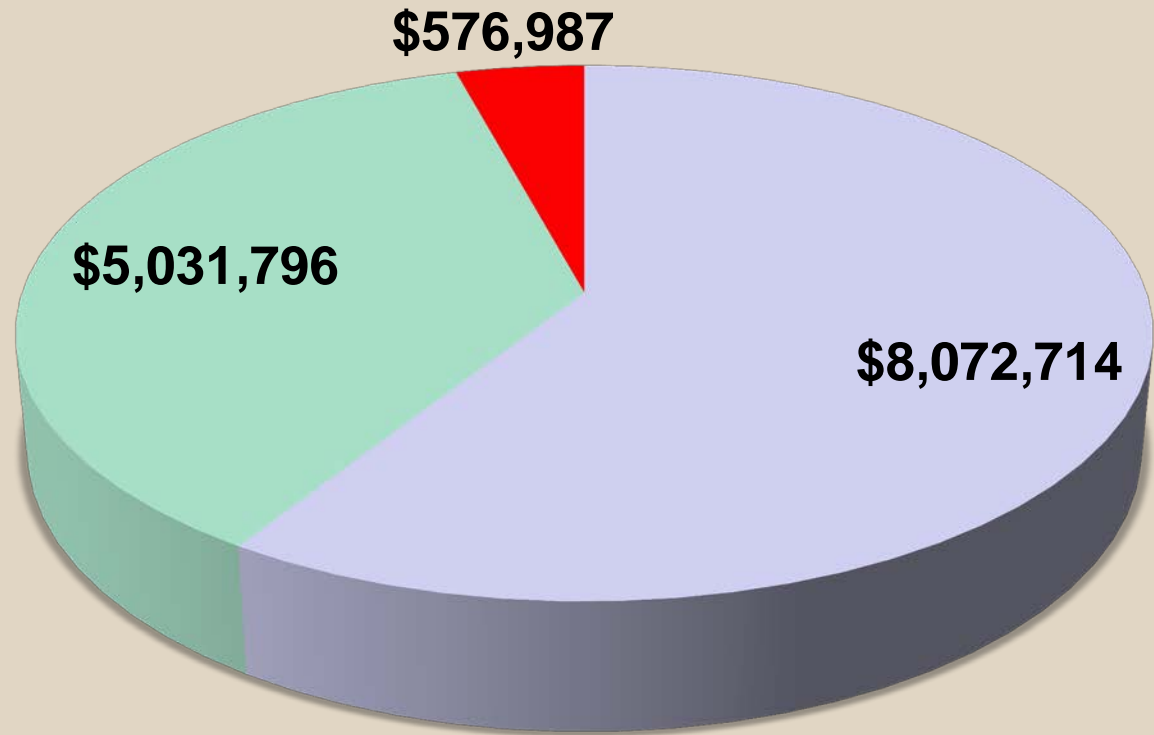
The Leadership Steering Committee will use these plans to identify consolidations and collaborations that could serve as pilots for university-wide collaboration centers

# Recommended process actions

- The committee affirms the importance of replacing the legacy FAMIS financial management system
- The committee supports the TAMU System's ongoing initiative to replace the existing Budget/Payroll /Personnel system
- A working group appointed by the president will recommend mission-critical modifications to FAMIS and BPP

# Total annual funds to invest in excellence

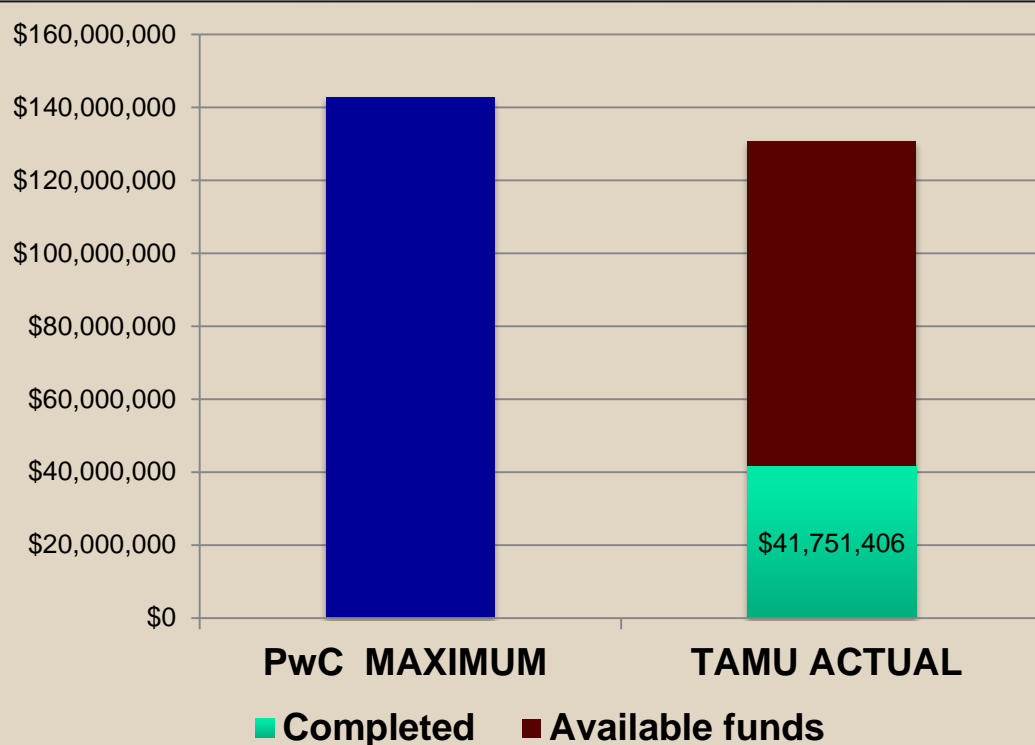
**TOTAL =  
\$13,681,467**



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■ Main campus ■ HSC ■ Galveston

# Total 5-year reallocation



All numbers include  
benefits at 28%

Includes both completed  
actions and recommended  
actions

PwC projected = \$142,800,000 (upper bound)

**TAMU achieved = \$130,820,422**