

Northeast Ohio
Universities
Collaboration &
Innovation Study
Commission

Cleveland State University
Kent State University
Northeastern Ohio Universities
College of Medicine
The University of Akron
Youngstown State University

Minutes from August 16, 2007 session of the
Administrative Workgroup of the
Northeast Ohio Universities Collaboration & Innovation Study Commission
Held at the offices at the GAR Foundation, Fairlawn, Ohio

Attendees: Phil Kaufmann, Chair, Rob Briggs, Vice Chair, Ted Boyd, Study Commission Chair (via teleconference), Dr. William Demas, Dr. Lestor Lefton, John Pogue, Dr. Luis Proenza, Dr. Michael Schwartz, Dr. David Sweet, Jim Trakas

Staff: Monica Turoczy, Amy Sabath, Allen Proctor

Guest: Kimberly Chapple, David Creamer, John Case, Debbie Staats, Jim Sage, Kirstin Toth

Unable to attend: James Hambrick, Brad Whitehead

Comments of Committee Chair Phil Kaufmann:

- Mr. Kaufmann welcomed everyone and did introductions around the room. Minutes from the July 19, 2007 workgroup session were approved with a motion by Mr. Briggs and second by Dr. Schwartz.

Recommendations to the Administrative Workgroup:

- Mr. Proctor noted we need a realistic view and worthwhile recommendations that offer time savings, efficiencies, and higher quality education.
- Mr. Proctor noted a timeline with September and October as key research months. The CFOs had met earlier in the day to create a list of technology, healthcare, and purchasing related projects. Three areas were considered: potential for scale economies, ease of implementation, and where there are autonomy and/or turf issues.
- Autonomy issues may be most important to the university Presidents as they need to address issues that are timely.
- Mr. Proctor suggested the workgroup settle on six issues to propose to the Commission for their report. Mr. Trakas suggested they be prioritized and placed in tiers of importance.

- Questions were raised about unanimous voting on issues to propose and whether or not the Presidents must all agree and / or have veto power. Mr. Boyd stated that all members should be in agreement in the end. Mr. Kaufmann clarified the process as the subcommittees will make recommendations to the full commission for final consideration.
- Mr. Trakas noted that the members need to have rationale behind all recommendations and proposals. Mr. Proctor added there should be a process to have closure and that it's a workable method that makes sense. Mr. Boyd added that we cannot leave any obvious opportunities on the table.
- Mr. Kaufmann referred to Mr. Proctor to lay out the areas to be considered as determined by the CFOs and Mr. Proctor.

NEO Regionalization Collaborations

Please Note: NEO Regionalization CIO Discussions IT Collaboration Possibilities handout is at the end of this section.

- Mr. Proctor previously met with the CFO's and CIO's of the universities to determine administrative areas for collaboration and create a set of recommendations to be evaluated by the Commission.
- **IT Projects:** Mr. Proctor noted these are first steps to having real savings in the future. The following suggestions set the basis for large changes to delivering services down the road.
 1. Central Hosting: Proof of Concept of Collaborative Administrator
 - Email } Server Storage
 - Course Management } Server Storage
 2. Shared Experts – Market Competitiveness and Highest Expertise
 - First: Help Desk Call Center and CMS Administrator
 - Next: Security
 3. Common Campus Applications:
 - Help Desk Tracking } Simplification of Expertise Needed
 - Anti-Virus } Possible Group Licensing
 - Email
 - Exchange: Akron and Kent
 - Sun: NEOUCOM and YSU
 - Long-Term – Migrate Database – Oracle
 4. Common Specification for Course Management Applications and Email (statewide) with long-term migration as campuses convert
 5. Common Application for Admission (statewide)
 6. Administrative Collaborative Organizational Structure to Continue and Expand Dialogue (catchy title)

- Dr. Lefton said there were good ideas in this group of recommendations. He also noted that some of these areas involve groups that are not administrative decisions, and could be faculty decisions.
- Mr. Proctor noted that combining help desk call centers would consolidate highly skilled resources. It also helps to be able to compete with the private sector for these high level skilled jobs. He also noted that it is hard to attract and retain database administrators. They should be pooled and directed where needed. There would be greater expertise working in one call center for five campuses rather than five separate campus centers.
- Dr. Schwartz asked if having one call center would employ less people and if this idea is a cost savings. Mr. Proctor responded that it could and that this should be viewed as a service enhancement rather than cost savings and can be more productive. The real issue of sharing a system is risk; the perception of risk is greater than the reality.
- Mr. Case added that these proposals presented may not be all the solutions, but these are starting points to study and analyze.
- Dr. Lefton noted these common campus application ideas are good and doable; however, most help desk employees are young students or recent graduates. These changes might require higher salaried professionals wanting benefits.
- **Purchasing Projects:**
Individual categories – insufficient volume (<\$6 million except KSU gas)
 1. Bookstore – Single Bookstore Operator
 - Contract Cycle up to Five Years
 2. Purchasing
 - Single Purchasing Office with Interface to ERP Systems (expertise in areas of purchase) including computer desktops and site licensing
 - Common Purchasing Card
 3. Print Shop and University Press – Single Site
 4. Copiers
 - Single Vendor (YSU and NEOUCOM)
 - Print Management (print and copiers)
 5. Travel – Consolidation (department purchasing card) (gather data to enable future pricing power)
 6. Identify State Restrictions That Add Costs or Complexity
 7. Electricity Common Bidding (hire expert to do research)

- Mr. Case noted that bookstores are a big ticket item which is usually outsourced. This could be negotiated on behalf of all five schools. Mr. Proctor added that there could be an online service for ordering books which would then have inventory cost savings.
- Mr. Proctor also suggested a purchasing card which could have the potential for a rebate, but ultimately means all five institutions go to one bank. Dr. Sweet noted that it would not be a good idea to take away business from all local suppliers for each institution.
- Mr. Proctor explained that there are significant savings with joint contracts, especially with copiers, paper, and other specialty items. Also, once travel patterns are determined, then negotiations can be made with airlines. Data collections need to be done at all of the institutions.
- Public employee collective bargaining and common bidding are other big issues to look into. Another area, multiple prime contractors, would have significant savings for all institutions. Mr. Briggs added that prevailing wage adds cost to this issue.
- **Healthcare:**
 1. Mercer Health & Benefits – consultant study among five institutions

Approach 1: Mercer would use the existing data from just the Coalition colleges, apply the same cost projection methodology, and provide estimates of savings in the following noted categories: removal of indemnity plans, best network practices, fully insured risk charges, premium taxes, eliminating broker commissions, improved administrative arrangements, and other areas of savings, including ancillary benefits.

 - Approx. \$15,000

Approach 2: Another alternative would include updating the data request with more detailed information. This could include data regarding the pharmacy benefits, dental, life insurance, and disability plan benefits and costs. This analysis would include a broader range of factors to be analyzed and discuss different approaches to pooling. In addition, this analysis will look at the existing managed care network discounts for the participating colleges to identify network savings opportunities specific to this pool.

 - Approx. \$30,000-\$35,000
- Mr. Proctor acknowledged he had a proposal from Mercer Health & Benefits. Mercer has already been doing this work with data for studies on higher education. Mr. Kaufmann suggested we recommend this to the full Commission for consideration.
- Mr. Kaufmann suggested we recommend all of the items above to the full Commission for discussion. All were in agreement.
- Mr. Trakas noted that our mission is education. We need to look at the larger scale opportunities.
- Mr. Proctor added that there needs to be an aspirational section and tactical section to the final report. Mr. Case noted the easiest place to start with a pilot is in purchasing.

- All Presidents present agreed to look at the entire list and begin to do further research. Mr. Trakas urged an examination of common payroll as an aspirational goal.
- Mr. Kaufmann summarized the meeting: (1) look into having Mercer for consulting, (2) begin researching 13 issues as discussed in the meeting, (3) need to create a list of things that will happen, (4) we are on a tight time frame so we have to keep on track.

Adjourn 5:10PM

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NEO Regionalization CIO Discussions IT Collaboration Possibilities

Topic	Effort The amount of effort necessary to combine operations.	Scale Economies The likely reduction of costs realized by combining operations.	Autonomy Yes , is critical to the primary mission of the institution. No , autonomy does not need to be retained.	Specifications Yes , systems, networks, hardware, procedures, etc. are likely to converge or become identical. No , technical factors are quite different.	Comments
Central Hosting - Email - CMS - ERP - Servers - Storage Space - DRP	Moderate Moderate High Moderate High High	Moderate Moderate Moderate Moderate Moderate High	No No Yes No No No	No, but could be No, but could be No, Difficult No, but could be No, but could be No	
Policy Office - Policies - DRP (Document) - Plans (Strategic, Security, etc)	Easy Easy Easy	Low Low Low	No Yes/No No	No, but similar No, Difficult No, but could be	Unique to site
DRP (Site Arrangements)	Low	Low	No	No, but could be	Provide space in existing data centers to place backup equipment
Services - Help Desk Support - CMS Training - Desktop Training - Professional Development	Moderate Moderate Easy Easy	Low Low Low Low	No No No No	No, but could be No, but could be No, but could be No, but could be	Need to learn all applications Need to understand curriculum
Volume Purchasing	Easy	Low	No	Similar	
Network Monitoring	Easy	New Spend	No	Similar	New Service – 24/7 monitoring
Network Management	Moderate	Low	Yes	No, Difficult	
Data Center - Server Management - Administration	Hard	New Spend	No No	No, but could be No, but could be	Isn't this the same as Central Hosting?

- Monitoring			No	No, but could be	
Best Practices					
- BC/DR	Moderate/Low	Low	No	Yes	Sharing Info Only
- Security	Moderate/Low	Low	No	Yes	Sharing Info Only
Shared Applications					
- Shared Business Processes	Hard	High	Yes	No, Difficult	
- Shared Functions	Hard	High	Yes	No, Difficult	
- Shared Software	Hard	High	Yes	No, Difficult	
- Shared Systems	Hard	High	Yes	No, Difficult	
Shared Administration					
- Governance	Hard	High	Yes	No, Difficult	
- Planning	Hard	High	Yes	No, Difficult	
- Functional Units	Hard	High	Yes	No, Difficult	
Shared Expert Resources					
- Help Desk	Low	Moderate	No	Yes, Similar	DBA, Security and Programmers would have access to confidential data
- DBA	Moderate	Moderate	Yes	No, but could be	
- System Administrators	Moderate	Moderate	No	Yes, Similar	
- Security	Moderate	Moderate	No	Yes, Similar	
- Programmers	High	Moderate	Yes	No, Difficult	
- CMS Administrators	Moderate	Low	No	Yes, Similar	
Common Campus Applications (Standards)					
- ERP	Hard	Moderate	Yes	Difficult	Agreeing on required CMS functionality moderately difficult – large number of faculty and student users.
- Help Desk	Easy	Low	No	No, but could be	
- CMS	Moderate	Moderate	No	No, but could be	
- Email	Moderate	Low	No	No, but could be	
- Anti-Virus	Easy	Low	No	No, but could be	
- DBMS	Moderate	Low	No	No, but could be	
- Portal	High	Low	Yes, Integrated w/ERP	No, Difficult, dependent on ERP	
Aggregate Hardware Purchases					
- PCs	Easy	Low	No	No, but could be	Profit margins in PCs are low
- Servers	Easy	Moderate	No	No, but could be	
OARNet?					