Minutes from September 12, 2007 session of the
Administrative Workgroup of the
Northeast Ohio Universities Collaboration & Innovation Study Commission
Held at the offices of the GAR Foundation, Fairlawn, Ohio

Attendees: Phil Kaufmann, Chair, Rob Briggs, Vice Chair, Ted Boyd, Study Commission Chair, Dr. William Demas, Dr. Lestor Lefton, John Pogue, Dr. Luis Proenza, , Dr. David Sweet,

Staff: Monica Turoczy, Amy Sabath, Allen Proctor, Lynne Woodman

Guests: Kimberly Chapple (OBOR), David Creamer (Kent State University), John Case (the University of Akron), Debbie Staats (NEOUCOM), Jim Sage (the University of Akron), Kirstin Toth (GAR Foundation), Deanna Esherly (Youngstown State University), Gene Grilli (Youngstown State University), Jack Boyle (Cleveland State University), Ron McGrady (NEOUCOM), Bill Wilson (Cleveland State University), Ed Mahon (Kent State University), Char Reed (Kent State University), Pat Myers (Kent State University), Ted Mallo (the University of Akron), Maria Schimer (NEOUCOM), Tom Maraffa (Youngstown State University)

Unable to attend: James Hambrick, Brad Whitehead, Jim Trakas, Dr. William Demas, Dr. Michael Schwartz

Comments of Committee Chair Phil Kaufmann:

- Mr. Kaufmann welcomed everyone and introduced Attorney General Marc Dann.

Attorney General Marc Dann:

NOTE: Questions asked of Attorney General Dann below.

- Mr. Kaufmann welcomed everyone to the meeting. Attorney General Marc Dann was introduced to speak to the group and respond to questions.

- Mr. Dann expressed the importance of the work of the Study Commission and maximizing the value of the universities.

QUESTIONS FOR OHIO ATTORNEY GENERAL MARC DANN
RE: RETENTION OF OUTSIDE COUNSEL FOR NORTHEAST, OHIO UNIVERSITIES
1. How is the decision to retain outside counsel, on behalf of a Northeast, Ohio University, currently implemented?
2. How is the targeted hourly rate determined and what is that rate?
3. Are there circumstances when outside counsel are paid more than the targeted rate?

4. Is there any flexibility in negotiating the standard rate (upward) to attract higher level counsel?

5. Would the consolidation of outside counsel services among the five Northeast, Ohio universities facilitate the selection of outside counsel?

6. Could the consolidation of work in a single firm lower the cost of providing outside counsel services?

7. Could a process to consolidate outside counsel services for the five Northeast, Ohio universities be made permanent?

8. Could the University Alliance interview and choose (and terminate) outside counsel subject to your approval?

- The process of hiring outside counsel has been closely examined and restructured. There are approximately 450 pre-qualified firms from across the state with various expertise for outside counsel work. Mr. Dann noted that an RFP needs to be issued by the requesting state unit and then a decision is made about hiring appropriate counsel.

- Mr. Dann also noted his office is trying to increase diversity of the law firms they hire to reflect the diversity of the state.

- There is a target rate of $125 per hour but this is being evaluated and may be too low based on the quality. The office will pay more than the targeted rate when necessary.

- Mr. Dann said the universities are consulted with outside counsel committees on a scoring basis. They have done a control test with some cases assigned to outside counsel and some done in-house. They found they have saved the state money by doing work in-house, especially when it’s more repetitive and less unique work.

- There are times that you can get more value from one more expensive attorney than two less expensive attorneys. There are situations where the AG’s office has paid more than the targeted rate and they will most likely do it again.

- Mr. Dann shared his suggested “big idea” of creating, in Northeast Ohio, an Intellectual Property Law Center of Excellence. Mr. Dann suggested that dollars from the Third Frontier Initiative be used to create this Center and then attract world class Intellectual Property thought leaders as faculty who would also be granted appointments as state assistant Attorney’s General. He would like additional lawyers to be hired to make themselves available to all the universities when needed. Dr. Proenza reminded Mr. Dann of the existence of the University of Akron’s Intellectual Property law program.

- Mr. Briggs asked about political contributions as criteria for selection of counsel. Mr. Dann noted there are constitutional statutes that limit contributions from outside vendors to his campaign. He also noted there is a very small portion of people hired who actually contribute to his campaign.

- Mr. Dann noted that firms who have been terminated from doing business with the AG’s office were unwilling to cooperate with finance laws.
Discussion of Timeline

- Mr. Kaufmann thanked the Attorney General for participating in discussion with the Administrative Workgroup.

- Mr. Kaufmann called for approval of minutes of the August 16 meeting and they were approved. Mr. Proctor was asked to discuss the timeline of the Administrative Workgroup.

- Mr. Proctor stated the goals need to be realistic and decisions must be made at every meeting. Presentations will be heard on October 18 from the Medical and Health Professions Education Workgroup.

- Mr. Proctor also stated that the group needs to focus on quality over quantity. It’s also important to determine appropriate terminology for the writer to use. Mr. Kaufmann asked who would be writing the report. Ms. Turoczy introduced Lynne Woodman of Wendling Communications who has been brought on board to write the report for the Study Commission.

Summary of Big Ideas

NOTE: Attached please find the rankings of big ideas by the Members
NOTE: Handout incorporated below in italics.

- **1. Combine IT and Back Office Functions (Centralized Shared Services) (Jim Sage)**

  Overview: Create a vision, with a 10-year horizon, to combine information technology services and centralized business operations for the purpose of reducing the cost to operate these functions, increasing the quality of service to customers, and enabling participating institutions to better focus on academic objectives.

  Recommendation Over the next ten years:
  - Define one set of business processes and implement common back office systems (PeopleSoft/Banner, course management, scheduling, etc.) for each region and / or state.
  - Combine / Collapse Functional Units (i.e., Purchasing, Payroll, Human Resources, Business and Finance, Information Technology, etc.): Move functions to a central organization; eliminate existing functions and business processes.
  - How to get started:
    - Propose to hire a third party (i.e., Deloitte, IBM, other firm) to work with us to further assess the feasibility of this idea and create a business case for back office shared services.
    - This business case will help us determine the costs, effort, risks, and potential returns.

  *We believe without a defined vision and a quantified business case (reason) it is highly unlikely an integrated shared service model will ever be fully implemented.*

- Mr. Kaufmann asked how much detail or definition was needed for this idea. Mr. Proctor noted there was not a lot of detail or definition needed on the aspirational end. It’s important to reflect the commitment and energy in the report, as well as the importance of this process.

- Mr. Case added that in order to make this idea happen, it will take commitment from all of the institutions. This will require the commitment of several offices, much time and many resources.
2. Tuition and Fees (John Case)

Overview: Currently the undergraduate tuition and fees structure in higher education and specifically in Ohio is extremely difficult for all (students, parents, taxpayers) to understand. Many public schools have their tuition with numerous fees tacked on. For instance, The University of Akron has its stated tuition rate, 24 distinct fees (i.e., fees for technology, facility, general service, administrative, library, and career advantage services), and an additional 2,000 course fees related to nearly 3,500 different courses. The number and complexity of these fees causes many students and parents to complain about the true cost of coming to our institutions; they think it costs X and when they get their bill it is substantially higher and very different than their expectations. With this idea, the amounts of tuition and fees at the institutions do not have to be similar; however it would be beneficial if the structure for charging students was.

In addition, the tuition plateau differs at Ohio’s public institutions of higher education. Students pay a flat tuition fee for a given number of credit hours (“the plateau”) and then have to pay per credit hour for each additional credit hour taken beyond the plateau. Varying plateaus across institutions also complicate cost transparency. Additionally, at most schools for undergraduate education, students are ready to graduate in four years within the given plateau. Students and parents are often surprised when they learn that this is not the case at their chosen institution.

Recommendation
A simplified approach to tuition and fees is critical to transparency, comparison between institutions, and efficiency in our offices. There are a few examples of institutions simplifying this process to the benefit of students and parents. The University of North Carolina at Chapel Hill performed a review of its tuition and fee structure in 2005/2006. As a result, it combined 373 Academic Affairs and Health Affairs fees into one.

The Northeast Ohio Commission should work as a group to finalize a price structure (tuition, fees, and the tuition plateau) that can be transparent, simple, and easy to understand by students, parents, and the university community. Such change will require the support of The University System of Ohio / Ohio Board of Regents to modify fee cap requirements.

Mr. Case noted the importance of determining a simplified solution for students and parents to see how much classes cost with no hidden charges. It’s important to evaluate the whole system of charging students and plateaus.

Dr. Proenza added that this is not about price fixing or all the institutions having the same fees. Consumers are unsure of what they are buying in higher education and can easily become confused. This will make the process easier and more understandable.

3. Develop a Learning Object Repository for the University System of Ohio (Jim Sage)

Overview
To support the teaching and learning mission of the new University System of Ohio there is a need to develop a digital repository of online course materials to be shared by Ohio instructors in higher education. These learning objects would provide quality instructional resources for students throughout the system and reduce duplication of effort. Contributions to the repository would be peer reviewed using an approach similar to that found in the Merlot model.
Merlot is an acronym for: Multimedia Educational Resource for Learning and Online Teaching. This repository is located at http://www.merlot.org/merlot/index.htm

Recommendation
The Northeast Ohio Commission should work as a group to investigate whether it would be possible to build an Ohio system using the MERLOT model, hosting such a system using the capacity of OhioLink.

If this is not possible, another option is to become a member or institutional partner with Merlot. Several large systems are already members (i.e., Wisconsin, California, SUNY, Georgia, North Carolina) and there are many college partners (i.e., OSU, Cornell, BYU, Seton Hall).

- Mr. Kaufmann asked if the schools courses were copyrighted. Mr. Sage responded that they can be, but it’s important that you be willing to share in MERLOT. Mr. Proctor added that MERLOT follows a lending library approach.

- Mr. Boyd noted the Academic Workgroup is discussing the Internet University idea and this idea may be shared with that group. Dr. Proenza suggested we not pass this on to the Academic Group as it does mostly have Administrative support functions.

- All three ideas were approved by the Workgroup to be moved to the drafting stage of the report.

- Mr. Briggs noted he was very impressed with Mr. Dann’s ideas. This is an opportunity for the counsel of the five universities counsel to come up with a creative proposal to the Attorney General’s office. Mr. Kaufmann asked for any comments regarding general counsel.

- One issue mentioned was that all five institutions would benefit from having immigration counsel. This would eliminate the very lengthy process to obtain outside counsel to assist with these issues. Instead, counsel would be available right away.

- Mr. Proctor asked the counsel of the five universities to work together and come up with a proposal of two or three tactical ideas or specialties for outside counsel, prior to the next meeting, to be considered by the Administrative Workgroup.

Tactical Ideas

NOTE: Handout incorporated in minutes in italics.

- **1. Central Hosting and Shared Data Center:** This initiative proposes the concept of an institution hosting (within their data center) an (software and hardware) application for one or more other institutions. Or, alternatively, this initiative proposes the development of an outsourcing agreement (with a commercial provider) to share one data center among all NE Ohio universities.
  
  **Scope:** Establish an application instance at a participating institution which will be responsible for the availability, administration and technical troubleshooting of the software applications, as established through a formal service level agreement between institutions.

  **Alternatives Summarized:**
  1. Develop full shared data center concept
  2. Provide shared data center floor space from an existing member institution
**Onetime Costs:** Either determined as the scope of each shared application is assessed or in the case of the complete shared data center, by a competitive bidding process.

**Benefits:** One or two of the following benefits of this concept could be realized:
1. **Begin to collaboratively share resources:** Develop and put into practice a simple, low risk means of sharing technology infrastructures (placing equipment in another university’s existing data center).
2. **Reduce baseline costs and increase application reliability:** Actually begin to drive down overall data center costs (reduce multiple existing data centers) along with leveraging the commercial sector’s disaster recovery capability by outsourcing to a common data center. Reduced utility costs would also be a major benefit of a shared center.
3. **Requires the development of important concepts such as:**
   - Shared administrative structure
   - Shared vision as to how to use a shared new data center (physical layer only), or value added support services (disaster recovery, routine backup, equipment monitoring).

**Risks:** Outages could affect more users than having multiple applications, servers and data centers at multiple locations.

**Lifetime Costs:** Acquired through bidding process

**Next Steps:**
1. Inventory data center equipment (servers, network equipment, backup equipment and monitoring equipment for quantity, age, purpose, size, operating systems and software applications supported).
2. Review value added possibilities (beyond shared data center space) such as for business continuity or disaster recovery applications that would be made possible via commercial third party data center business continuity infrastructure.
3. Assess budget ranges of outsourced solutions.
4. Develop a possible phased approach to reviewing all steps necessary to implement a shared data center concept.

- Mr. Sage noted that the State of Ohio is considering building a second data center. This new center could piggyback with the NEO colleges to get this new center located in NE Ohio and to have the NEO colleges move their shared datacenter into the State’s new center. The committee asked that this concept be included in the commission’s proposal.

- **2. Common Admission Application:** This initiative establishes a single or core set of data for the admissions application to any Ohio university or college. This project enables an applicant to enter information for a single institution and have that same information applied to any other application for any institution within the University System of Ohio to which they want to apply.

  **Scope**
  - Electronic submission of undergraduate application to any Ohio public two-year or four-year institution through a common internet-based portal. Does NOT support printed undergraduate applications.
  - Automatic and secure transfer of student data to all selected institutions student information systems through a standard interface.
  - Initially, the application will NOT handle the collection of documents (high school transcripts, essays, or letters of recommendation).
  - Provides branded informational web pages about each participating institution with links to related admissions pages. Tours and comparative reporting about the schools is presented.
• Provides planning information to help guide students in finding a career, choosing a college, and paying for school.
• Students will be assessed application fees centrally via credit card.

Alternatives
1. Develop the application internally and run at one of the participating institutions.
2. Search for an internet-based service provider that will host the application:
   a. Xap Corp.
   b. ApplyYourself Inc.
   c. The Common Application
3. Incorporating electronic high school transcripts through a service provider like ConnectEdu.
4. How the overall institutions strategy is affected with the use of other college search and application submission services such as CollegeNET or Petersons College Search. Some schools have chosen to eliminate other services to reduce the number of external inputs to their student applications.

Onetime Costs (Software, Hardware and Staffing)
If developed at one of the participating institutions (e.g. North Carolina is one of the few state systems creating and running the application)
• Servers and operating system software
• Application development software
• Database software
• Security software

If obtained through an application service provider:
• Initial application customization (Approx $150K)

Benefits
• Provides a centralized means for any Ohio resident or non-resident to compare all public two and four year institutions of higher education choices in a single location.
• Ease of use. Students may apply to many schools within the State of Ohio but must complete only one application.
• Participating institutions collect student applications electronically, eliminating manual processing.
• It may help retain talented Ohio students.
• It helps Ohio higher education institutions compete against the many common state admission application sites already in place.

Risks
• Creating a fair administrative model that continues to meet and support the needs of participating institutions.
• Economic stability of the application service provider if one is chosen.
• Synching up the application to varied academic calendars.
• Introduction of duplicate data within each institutions student information system.
• Participation in the site is dominated by stronger institution(s), politics, or other outside interest.

Lifetime Costs (Software, Hardware and Staffing)
If a service provider solution is chosen:
• Annual service premium ($650K – 750K)
  o Covers approximately 40 statewide four-year and two-year institutions; would be substantially less for just the five NEO colleges
  o Hosted solution
  o Help desk support
Upgrades
- FTP transmission of data via standard format for PeopleSoft, Banner, Datatel
- Does NOT include transcript exchange if the application is provided through one of the participating institutions:
  - Help desk staffing support
  - Development, database, and upgrade staffing
  - Hardware upgrades
  - Software maintenance cost
  - Application failure and recovery

**Recommended Next Steps (Including Implementation Critical Success Factors)**

1) Engage Student Affairs and other appropriate constituencies to set basic criteria for the project and set a timeline for completion.
   a) What is important and required by the institutions (i.e. institutional branding, an overview of the college, student portfolios, true flexibility in the application, combined with transcript, etc.).
   b) Determine if there are other initiatives in Ohio that can be combined with this project? We are aware of a pending initiative to build a state-wide portal that could add value to this offering.
   c) Determine if one vendor can provide all facets of the project?
   d) Determine if solution be a hosted by the vendor?

2) Invite presentations from appropriate vendors.
   a) Be sure to check the references and similar projects currently in place with the vendor.

3) Reassess previously set basic criteria in light of available services.
   a) Do you want to broaden the scope?
   b) Is there additional functionality that we didn’t include in the initial assessment?

4) Evaluate and choose best vendor with the most flexibility and best customer service to offer the service.

5) Estimated high-level timeline, 6-12 months

- Mr. Kaufmann asked if this was only for state institutions. Mr. Sage said it could be for state and/or private, two-year or four-year schools. The committee asked that this recommendation be focused on the five NEO colleges and that it suggest that the common application could be extended to all Ohio public four-year and two-year colleges.

- Mr. Briggs added that this could be a NOCHE project.

- **3. Administrative Collaborative Organizational Structure to Continue and Expand Dialogue**
  This initiative proposes the development of a collaborative / administrative framework representing the administrative areas of the Northeast Ohio institutions. This structure definition would be used to establish an organization, charter and guidelines for the on-going process of gathering new ideas, making across institution decisions and leveraging resources for the benefit of all.

  **Scope:** The scope of this proposal is to define the organization, charter, policies and procedures necessary to empower a core group of senior administration representatives (Technology, Finance, Student Services, etc.) from all participating institutions vested with the responsibility
of facilitating the evaluation of opportunities, prioritizing those worth pursuing, recommending and making across institution decisions and coordinating resources to implement selected solutions.

**Alternatives**
1) Define an entity to serve both roles of facilitating on-going collaboration and overall administration.
2) Define separate entities, one to facilitate on-going collaboration and the second to act as an administrative body.

**Onetime Costs** (Software, Hardware and Staffing) People time to define the structure, policies, procedures and communications for all participating institutions. (3 to 6 months)

**Benefits:** A central forum of relatively consistent membership enabling a process for making supported decisions across institutions when opportunities arise that could benefit all.

**Risks:** None identified.

**Lifetime Costs** (Software, Hardware and Staffing): Not applicable.

**Next Steps:** Identify project Team, Define organization and charter

- The discussion noted that a continuing administrative structure could be very informal but that it would be necessary for tactical projects such as the common datacenter to be coordinated and to remain focused on the strategic commission recommendations. It was emphasized that similar structures for presidents or trustees may be useful but that this recommendation was focused on the CFOs.

- **4. Group Purchase of Electricity:** Utilities are one of the five or six major categories of college and university expenditures. While power and energy are major purchases for all 14 campuses comprising the five institutions, each campus varies in its approach to the generation or purchase of power and energy based on the circumstances of its community and/or the decisions of campus planners.

Both Kent State University and Northeastern Ohio Universities College of Medicine (NEOUCOM) are large purchasers of natural gas that is used to heat and cool their facilities while the University of Akron, Cleveland State University and Youngstown State University rely largely on municipal plants to supply the energy required to heat and cool their campuses. Due to the differences in the energy approaches used by each campus, there are not major opportunities for collaborations involving energy as only NEOUCOM and Kent State are frequent buyers of natural gas and already collaborate in the purchase of this commodity.

The greatest opportunity for the aggregation of utility purchases is in the area of electricity. All of the campuses buy the majority of their electricity from one of the region’s utilities. Given the changes following the deregulation of the electric industry, all campuses rely largely on tariffs specific to the circumstances of each campus. Only Kent State University at its Kent Campus generates a significant portion of the electricity that it consumes, and only the University of Akron participates in a co-op or municipal buying program.

**Data Gathered**
The purchase of electricity by the five institutions is as follows:

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<th>Akron State</th>
<th>Cleveland State</th>
<th>Kent State</th>
<th>NEOUCOM State</th>
<th>Youngstown State</th>
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<td>Value</td>
<td>$6,645,000</td>
<td>$3,703,000</td>
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Kent State’s total electric costs with generation is $6,777,000. The various utility companies that currently supply electricity to one or more of the 14 campuses include Ohio Edison, Illuminating Company, Orrville Utilities, and American Electric Power. In addition to this information, a summary of all tariffs and the generation capabilities including back-up generation have been summarized for each campus. A list of each campus’ energy conservation projects has also been compiled and shared with all five institutions.

**Challenges/Risks:** In January 2009 the next stage of electric deregulation in Ohio is to commence. The price restraint that has existed for much of this decade is scheduled to end with the beginning of the next phase of deregulation. Since increased competition has not resulted from deregulation of the electric utilities in Ohio, substantial price increases are now expected once rate restraint ends. In other states where deregulation has occurred, electric prices are about 30% higher than states where deregulation has not been implemented. The long-term outlook for electricity at this time is very similar to health care with double digit rate increases possible for several years especially when the issues of deregulation, rising energy costs, inadequate generation in parts of Ohio and an aging infrastructure are collectively considered.

**Recommendation:** The five colleges and universities participating in the study intend to explore how they can aggregate as a group or aggregate with their communities or other industries to slow future cost increases. The largest obstacles to a successful strategy are the similarities in the demand profile of the five institutions and the absence of a competitive market place for electricity.

**Next Step:** The chief financial officers have contacted the Industrial Energy Users (IEU) of Ohio who collectively spend over $3 billion on electricity. Samuel Randazzo, who advises the IEU, will meet with representatives of all five institutions on September 19, 2007, to discuss next steps and the best approaches to purchasing electricity for the group.

- Mr. Boyd asked if there is a private sector industry to combine with on this. Mr. Creamer said they were looking at hospitals to combine with

- The CFOs noted that insufficient information had been gathered for them to recommend adoption of this tactical project. The committee agreed to revisit this recommendation at the October 18 committee meeting and to make a final decision then.

- **5. Printer/Copier Joint Contract (Print Management):** This initiative would establish a single vendor (or multiple vendors with fixed pricing if volume prohibited a single vendor contract), for print management across the five Northeast Ohio institutions. By contracting for fixed pricing it is expected that per print costs for copiers, printers and faxes, including associated supplies and equipment costs, will be significantly reduced for all campuses.

**DATA GATHERED:** Currently, NEOUCOM has an exclusive contractual relationship for multi-functional printer/copier/fax leasing and service. By entering into this arrangement two years ago, and mandating its use, NEOUCOM was able to decrease their printer/copier/fax costs by approximately 45%, or $135,000 per year, on an annual volume of less than five million pages. YSU also has a contractual relationship for a similar service, and although we do not have quantifiable data regarding their cost savings at this point, intuitively the realized savings rate would be comparable.

Data related to the remaining institutions printer/copier costs is still being compiled. Although currently KSU and CSU have preferred vendor arrangements, they do not centrally monitor their copier/printer volume or contracts. It can be assumed that the print volume for the other
institutions is significantly greater than that of NEOUCOM, thereby creating the potential for significantly greater savings.

**CHALLENGES/RISKS:** In order for this initiative to have a successful outcome, common equipment specifications must be adhered to at each institution. The savings generated by volume discounts would be decreased if faculty and staff are allowed to buy printers or copiers “off contract” to suit individual preferences in equipment specifications. The contracted equipment “bundle” must be broad enough to meet the varying levels of printed material needs across all departments of all campuses.

**RECOMMENDATION:** Further pursue savings opportunities by obtaining greater detail of printer/copier usage patterns. Identify necessary equipment specifications justified by quantifiable volume. Once dependable aggregate data is assembled, proceed with RFP process to obtain a common vendor for print management. We are confident that a program similar to NEOUCOM and YSU’s programs would result in substantial cost savings across the institutions. A common contract would need to be phased in across the campuses to meet current contractual obligations, which may extend up to five years.

**NEXT STEPS:** Obtain aggregate data from all five institutions by the next meeting of the Administrative Workgroup, October 18. Extrapolate a savings rate obtained by NEOUCOM and YSU to the other three institutions.

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6. **Common Print Shop for all campuses or outsourcing solution:** This initiative investigates combining the existing print shop operations into one location or establishing a single outsourcing vendor for print shop operations across the five Northeast Ohio institutions. One centrally operated print shop could, in theory, reduce overhead and either increase capacity or eliminate underutilization of print shop equipment.

**DATA GATHERED:** Currently, CSU, NEOUCOM, University of Akron and YSU all have on-site print shops. NEOUCOM’s print shop is currently operating with a profit margin of 12%. Given the current equipment and hours of operation, the NEOUCOM print shop’s ability to generate additional outputs on behalf of other institutions is limited. An additional investment in either equipment or personnel would be required to service other locations. Data concerning the financial performance and capacity of the other institutions print shops has not yet been provided.

**CHALLENGES/RISKS:** Having an on-campus print shop is of great importance to many faculty, staff, and students. By centralizing these operations into one location, service level expectations on other campuses may be negatively impacted. Additional order processing lead time would be necessary since orders would need to be transported between campuses, and additional costs related to that transport would need to be considered. Capacity levels at some locations are currently being met – a centralized location may either require additional equipment or a change to a 24 hour operation, possibly requiring labor shift differentials and increasing personnel and overhead costs. Alternatively, outsourcing may solve underutilization of capacity issues if they exist, but service level expectations would again be of concern.

**RECOMMENDATION:** A recommendation based upon a reliable and fully costed model of a joint print shop operation will require additional analysis and possibly potential vendor input. Input from campus constituencies who patron the print shops would also be critical and is advised. Given the equipment capacity issues and the related service level concerns, we offer that an alternative recommendation to a joint print shop be pursued. By collaborating on joint equipment, supply and maintenance contracts for all existing print shops, cost reductions may be obtained without negatively impacting service levels.

**NEXT STEPS:** Continue to gather data related to existing print shop inventories, equipment, supply and maintenance costs. Assemble aggregate data prior to the next meeting of the
Administrative Workgroup on October 18. Determine the feasibility of joint operations, or joint contracts in these areas based on the aggregate data.

- The CFOs recommended that this proposal be dropped. The committee concurred.

- 7. Joint University Press Operations: This initiative would establish a single location for the press operations of the five Northeast Ohio institutions. The idea is that by pooling the related resources, economies of scale could be generated with reduced costs for all campuses.

  **DATA GATHERED:** The University of Akron and Kent State University are the only two institutions with press operations. Cleveland State University has an agreement with Kent State University’s press to publish and distribute the required materials. No information was obtained from Youngstown State University.

  The University of Akron performs all press functions, excluding the printing of books, on campus. On the contrary, Kent State University’s printing is performed off campus and distribution is performed by BookMasters, Inc., in Ashland, Ohio. Additionally, Kent State University’s sales are handled by its press staff as well as commission representatives in the United States, Canada, and the United Kingdom.

  Data related to the volume produced at the University of Akron is still being compiled. Kent State University’s volume included the following:
  - 35 new books published; 51,650 units produced; and 40,000 copies sold.
  - 2 journals published; 6,900 units produced; 3,564 print copies sold plus 26,000 hits on e-journals. (Note that eJournal income accounted for 27% of journal revenue in FY 2007.)

  The University of Akron has about five employees while Kent State University has about ten. Combined revenues for FY 2007 were about $906,000, while expenses were about $1.4 million, including staff salaries and benefits. Additionally, in FY 2007, Kent State University had a subsidy of $457,626.

  **CHALLENGES/RISKS:** If a single press operation was used, the entity would likely need to be structured to accommodate cyclical workloads and would need to be able to meet demands including publishing, editing, design, marketing, selling, accounting, etc.

  **RECOMMENDATION:** It is unlikely that significant savings would be realized by the centralization and consolidation of the current press operations by the five Northeast Ohio Universities, as the volume of operations is insubstantial.

- The committee agreed to drop this recommendation.

- Mr. Proctor thanked the CFO’s and CIO’s for pulling their work together and for their enormous efforts.

Adjourn 5:10PM
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**Key:**
- Include: Absolutely include recommendation
- Need Case: Only include if case can be made stronger
- Drop: Do not include this recommendation