

Summary of remarks made during CSC's meeting with Sheri Stoll, Vice President for Finance and Administration.

Questions were obtained in two ways: 1) those provided by CSC to Sheri Stoll prior to the meeting; and, 2) audience participants' asking their questions during the meeting. Both types of questions are included in the document.

Responses by Sheri Stoll

Commentaries were written by Faith Olson, chair of Classified Staff Council, and are included at the end of each question section. The Executive Team concurs with the written commentaries.

### **Question 1.**

**Please clarify the 185% increase in unemployment compensation payments per #11 of the Explanatory Notes to E & G Budget Summary. The concern for classified staff is due to the wording "anticipated workforce changes."**

Response:

It pretty much means that we're thinking there will be positions eliminated to help remove B.G.S.U.'s 4.5 million dollar deficit. Most division heads are aware of this and asked to formulate a potential plan for reductions. That doesn't mean all the positions eliminated will be from positions where there is currently someone employed. Whenever we anticipate position vacancies (whether through resignations, retirements, etc.), we need to evaluate when - or even whether - to post the positions or to use those funds to reduce the deficit.

Regarding the demographics relating to traditional 18 yr. old students, the numbers in Ohio are declining, and in the year 2011-2012 we bottom out. Unless those traditional students can be replaced with non-traditional students, we'll have fewer students, and thus, less state support. Ohio tends to enter economic downturns more slowly than other states, but it also tends to come out of it more slowly as well. Higher education has traditionally been one of the first cuts made by the governor, but it was just announced that the State's share of instruction (SSI) will not be cut. However, other areas (success challenge, research challenge, etc.) that have provided funding lines to Ohio universities will become part of a 4.75 million dollar cut from July 1, 2008-June 30, 2009.

It should be noted that that 185% increase does not translate into the 4.5 million dollar deficit. Historically, BGSU seems to have budgeted very low (approximately \$20,000) for unemployment funding, then should more funds become necessary, the difference would come from other benefit budget pools (like workman's comp or Medicare). I would rather budget a more accurate dollar amount in the actual category where we expect the expense to be charged, so that is part of the increase. The other part is in anticipation of job losses. So the 185% number is my best guess judging from past/historical information combined with anticipated funds needed for unemployment.

*Clarification provided after the forum: The amount referenced of 185% represents an increase to the budget over the amount actually spent in the prior year - not an increase compared to the amount budgeted in the prior year.*

*\$191,140 was expended in 2007-08 (rounded to \$200,000) X 185% = \$370,000. This would appear to be the amount allocated for "anticipated workforce changes."*

### **Question from the audience:**

**Lower-paying classified jobs often seem to get cut before faculty or administrative staff. Why not cut a few higher-paying faculty or administrative staff positions instead of many classified?**

Response:

With regards to faculty, you have to consider tenure. Additionally, they're the ones who are directly preparing our "product," which is the student, so you want to try to retain them. Plus, there are more classified positions overall on campus. At my previous institution, I first looked at my administrative positions. It's important to re-evaluate how you're organized, structured, etc. You need to evaluate your management structure, then the individuals under those managers.

Vacant faculty lines have to be examined and the needs and student demands will help determine whether or not those lines should be filled. We need to look at the major or the academic discipline to see if that position is crucial.

**Question from the audience:**

**Administrative work generally creates more work for classified staff, yet there is concern that cuts will be made to classified staff across the University.**

Response:

The work climate has changed and continues to change, and maybe we need to expect more from our administrative staff than we have in the past. For example, there was a time when a secretary would have prepared all my memos for me; today, I key my own memos. We need to gain productivity from our entire workforce, regardless of what classification individuals fall into. As far as our administrative people, we want and need folks who are creative, able to see the big picture, and are able to redesign workflow processes to be more productive.

**Question from the audience:**

**How do upcoming retirements figure into the financial plan?**

Response:

The Office of Human Resources is predicting that there will be a significant number of retirements in the next 5-7 years. However, I am not looking 5 years out, because I don't have that luxury. The problem is now, and we need to find a solution now. The issues are too urgent, so we can't wait 5-7 years for the solution.

*Commentary by Faith Olson: Caution should be paramount when deciding which positions (vacant or filled, faculty or staff – classified or administrative) are expendable because there is no solidification of the future focus for Bowling Green State University within the Ohio University System. Can such permanent decisions be made without that vision?*

**Question 2.**

**Several areas within F&A have indicated there is a commitment from your office that once a classified line becomes vacant, it will be filled with an administrative staff person. Please address as to whether or not that statement is true and if so, what is the rationale for doing so. How does this fit into the Fair Labor Standards Act: Administrative Duties Test?"**

Response:

I've made it clear that whenever a position becomes vacant, I don't want to have a vacancy announcement automatically sent to my office with the expectation that the position can be advertised and filled in the exact same manner as it had been previously. Rather, that's the time I want the position to be re-evaluated. If changes need to be made, we want to do it while the position is vacant and an employee is not affected whenever possible.

*Commentary by Faith Olson: Every position has to be evaluated on its own merits and necessary skill sets. All positions (administrative or classified) descriptions are evaluated against the Fair Labor Standards Act: Administrative Duties Test to determine into which group the position best fits. CSC encourages all University offices to forecast what skills sets will be necessary in the future and provide opportunities for classified staff employees to obtain/enhance the required skill sets.*

**Question 3.**

**The potential of outsourcing is again catching the attention of management with ramification to staff. Are the results of the program reviews being utilized in the decision-making process? If program reviews have not been conducted in the last five years, what criteria will be used to help guide the decision-making process?**

Response:

First I need to explain that I don't think outsourcing magically solves all our problems – it is not a panacea. What it DOES do is allow me to gain the type of management expertise that I don't have and can't get from within the institution itself. For instance, at a previous institution I used "outsourcing" in the area of dining services. But what that really means is that I used an outside company to come in and provide us with their management skills, but the rest of the workforce remained the same.

I believe there were only 3 employees who were affected initially in the management section of dining services. By outsourcing to an external company, we had access to more data and research information than we did before, and they were able to provide us with specific, targeted information we could use to improve, as well as better buying power so we got more value for our dollar. Not only were there increases in buying power, but the management team had access to

large zip code data bases that helped determine the eating preferences of students. This information was used to develop menus that are attractive to students.

In the bookstore, a few of the positions were initially outsourced and over a 10-year period when positions were vacated by resignations or retirements, those positions were migrated over to the external firm. At the end of the 10-year period the entire workforce was external.

Custodial positions were outsourced at my previous institution, but in my opinion, I view facilities as one of the hardest things to outsource. To explain, when you outsource a “maintenance repair” position, for example, you get ONLY a maintenance repair person, and not an ounce more. In-house people working at the university under that classification often have additional skills and capabilities that they can and do use on a fairly regular basis. As far as I know, the only thing we’re looking at is the management-type thing that was done at Kent State as far as outsourcing goes.

*After the meeting, Faith was approached by a classified staff employee inquiring as to what other areas may be considered for outsourcing besides dining services. During Sheri’s presentation, this individual heard that purchasing, payroll and accounts receivable and payable could experience this transition.*

*Sheri’s response:*

*In regard to other outsourcing - I am not aware of any other areas currently considering outsourcing of entire departments or functions. But I should have cautioned the group today that we often use the term "outsourcing" in its generic sense. For example, we "outsource" W-2 and 1099-T printing. We are probably going to "outsource" our 990 tax preparation. We are assessing whether or not we can "outsource" our tuition refunding as ACH direct payments to students (as opposed to the current printed checks that must be delivered individually). But I don't think that is what most people are thinking of when they use the term outsourcing. In regard to A/P, Payroll, Purchasing, A/R, etc. - any outsourcing that is being discussed in any of those areas would be of the generic variety I just described above - not an outsourcing of an entire department or unit.*

*Commentary by Faith Olson: CSC encourages any areas that are being considered for these types of changes, to take the opportunity and complete a self-evaluation, for two reasons: 1) many of the items suggested in the discussion (i.e., dining services are doable or already being practiced in-house, and 2) many employees in tenuous positions should have the opportunity to apply creative imaginings in how to do things more efficiently to provide cost savings. For individuals who have an increased workload because of FMS/PeopleSoft, we are encouraged that a meeting between members of Sheri’s office and Oracle may help to resolve some of the issues we currently face.*

Closing comments:

When asked about the impact job losses at the University would have on the surrounding community/ies, Stoll said it’s imperative that we keep the University’s mission in mind, because that is the critical component. She explained that we have to ask ourselves, “Why is BGSU here? Is it here to train students or is it here to provide jobs to the people of Wood County?”

Additionally, Stoll noted that we are a public institution, so everything we do is open to public scrutiny. She added, “No one employed at BGSU should have to do a public records request. We’re all employees here; if you need information and can’t get it, pick up the phone and ask.”

**Below is a message from Dr. Joseph Oravec concerning Dining Services**

Robin & Laurie ~

Per our conversation this afternoon, please see below. Thanks again for meeting and let me know if there are further questions.

Thanks.

JAO

I appreciate having the opportunity to meet with Robin Bruning and Laurie Konrad this afternoon. As we discussed, the departure of Gail Finan as director has provided the Division of Student Affairs an opportunity to examine our dining services business systems, operations, management, and practices. Thus, we are moving forward to examine thoroughly all options, including a variety of dining service models such as self-operation, outsourcing, and blended concepts.

Please be aware that at this time no decisions have been made whatsoever as to what specific direction we will be moving on. However, it is the desire of Dr. Whipple and me that we will have identified a director for dining services by the end of April, 2009. As we move forward, working closely with the UDS management team, it is my expectation to provide periodic updates, as well as opportunities for interested individuals to provide input and feedback. If you have any questions, please feel free to contact me.

\*\*\*\*\*

Joseph A. Oravec, Ph.D.  
Associate Vice President for Student Affairs