

SRAP Update: January 2019

Dear Colleagues,

Welcome to the new year, and the start of St. Olaf's second half of the 2018-19 academic year. I trust that you were able to relax and enjoy time with friends and family during the holiday break.

I write to share updates on the Strategic Resource Allocation Project, where we are toward reaching our \$5–\$8 million goal, and actions to achieve that goal.

The SRAP Steering Committee has continued to review recommendations presented by the review groups and has charged several Target Action Groups (TAG Teams) to further explore several areas that required additional consideration. These groups are in the final stages of their work and are expected to make reports to the Steering Committee over the next month.

As of the end of December, the Steering Committee has made just over \$3.5 million of SRAP recommendations. The recommendations include revenue enhancements, cost reductions, and improved efficiencies. The areas affected by these recommendations have been consulted and are part of the implementation planning currently underway. Here's a brief snapshot of the various components of the work to date:

Revenue Enhancements — \$2.2 Million

- The Enrollment and College Relations TAG Team has significantly improved the net tuition revenue generated per student in the first-year class that arrived on campus this past fall. Michael Kyle and his team are confident that this is a result that can be achieved on a sustainable basis.
- The College outsourced management of its bookstore to Barnes and Noble to generate additional revenue.
- This fall the College started to implement a number of "sponsorship" opportunities associated with our public relations and athletic events that are generating additional revenue.
- The College is realizing additional lease and rental income from the senior housing project being constructed near the Northfield Hospital and additional rental income from properties that, due to city ordinances, couldn't be rented previously.

Cost Containment/Efficiencies

- The Operations-Staff TAG Team spent significant time reviewing staff reporting structures, with the goal of improving supervision and support of staff. Special attention was given to instances where similar functions were performed in more than one unit and/or where supervision presents special challenges. While over time we expect some salary and FTE savings — which we will realize through retirements and attrition — the immediate and greatest benefit will be improved support of staff and enhanced operations. At present, we are acting on two recommendations in consultation with the impacted departments, and will soon complete deliberations on a third. These changes include:

- The technology support currently provided through the World Languages Center will be integrated into Instructional Technology through the Digital Scholarship Center at St. Olaf (DiSCO), and the tutoring and testing function of the World Languages Center will be moved into the Center for Advising and Academic Support. The WLC director, Renata Debska-McWilliams, will continue as a full-time Instructional Technologist and Tutor for Languages.
- The Broadcast Media Services team will report to the Marketing and Communications Office, a move that creates better alignment and impact in their work. We have achieved great success with our enhanced broadcast capabilities through Broadcast Media Services. The quality and breadth of their services has had a tremendous impact on the college's ability to recruit prospective students and engage with alumni around the world. To better integrate these efforts and continue to build on the strength of the BMS team, Jeff O'Donnell, Director of BMS, will now be reporting to Chief Marketing Officer Katie Warren. The BMS team will remain an integral part of the Enrollment and College Relations Division.
- The TAG team is working toward a recommendation regarding realignment of the organization and reporting/supervision structure for AAA positions. Dan Dressen has met with the AAAs to provide an initial overview and answer questions, and more discussions will take place with AAAs and department leaders in the coming months.
- FTE Reductions and Related Program Reductions — \$800,000
 - Finance divisions have partially implemented a 7.0 FTE reduction, taking advantage of retirements and resignations to rethink how we provide services in facilities, student accounts, printing services, and investment management.
 - The Library and Information Technology department has identified FTE savings in their operations through retirements, resignations, and additional staff sharing with Carleton as part of the Broadening the Bridge grant.
 - The faculty will have a 4.0 FTE reduction. The "Credit Requirement for Graduation and Reduction/Reallocation of Faculty FTE" TAG Team identified reductions to several departments and programs amounting to 6.33 FTE, and the reinvestment of 2.33 FTE into those departments/programs experiencing considerable enrollment pressure. The reduction will result in the phasing out of the American Studies major over the next two years. The Registrar and program director are working with students to plan completion of their major.
 - There have been voluntary reductions in FTE assignments based on employee requests (i.e., one-month leave of absence for personal reasons).
 - The elimination of the International Scholars Program has realized a .25 FTE saving in response to a SRAP report recommendation to consider the elimination of this small program for visiting scholars.
- Cost Reductions — \$500,000
 - Bon Appetit has reduced their meal plan and catering rates.
 - Facilities has switched to lower-cost maintenance products.
 - Enrollment and College Relations and Advancement have reviewed and discontinued select contract services.
 - Faculty development funding has been reduced.

Remaining Steps

While we have made good progress, we have not yet achieved our minimum goal of \$5 million in either reduced expenditures or increased revenues. We can expect additional progress as the TAG Teams complete their recommendations. For example, the following TAG Teams have work remaining:

- The “Credit Requirement for Graduation and Reduction/Reallocation of Faculty FTE” TAG Team is currently deliberating on the number of credits required for graduation, and will soon be considering proposals for investments in existing and new programs.
- The “Operations-Staff” TAG Team will soon finalize its recommendations regarding the organization and supervising structure for AAAs.
- The “Staff Development” TAG Team has finalized its in-depth review of the staff professional development activities to ensure that these efforts are right-sized, equitable, effective, and targeted to the most important areas. The group presented their recommendations to the Steering Committee earlier today.
- The “Flexible Work Day” TAG Team has also completed its exploration of alternative work schedules to improve employee workplace satisfaction, reduce employee turnover, and create equitable leave monitoring policies for all staff. This team will be presenting their recommendations to the Steering Committee next week.
- The “Music Organizations” TAG Team has met with a variety of individuals to better understand the relationship that music organizations have on admissions, advancement, and academic activities. They are finalizing their work and will present their recommendations for cost containment and new revenue streams to the Steering Committee in February.
- The “Athletics and Recreation” TAG team is meeting weekly utilizing a structured approach such that they can complete their work quickly and make their recommendations for redefining and right-sizing the College’s athletic and recreation programs as soon as possible.

We knew that this final phase of the SRAP work was going to involve having difficult conversations about prioritizing and funding our most important functions. The decisions outlined above illustrate the benefits already emerging from looking at more efficient organizational structures, reducing programs that are experiencing enrollment declines, partnering with entities that can provide services more cost effectively than operating them ourselves (running a bookstore, food service, or investment management), identifying some things that we should stop doing, and leveraging our revenue potential based on sound business decisions. This good work is setting a solid course for the College’s financial future. We will see more of these benefits come forth as the TAG Teams make their recommendations.

The Steering Committee will make final recommendations that achieve the minimum SRAP goal of \$5 million. This will be accomplished while staying true to the SRAP principles identified at the beginning of this process. The decisions will also draw on the creative thinking that has been brought to our committee. I’m asking the Steering Committee to complete its work by the first week in April. We will share those decisions with the appropriate departments, seeking their input on implementation plans, followed by the broader community-wide announcement.

As I’ve stated in earlier SRAP updates, I appreciate everyone’s diligence in seeking ways to bring our revenues and expenditures in line and patience as we deliberate our best courses of action. This is hard work, but very necessary work. Thank you.

Best,
Jan

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