



URA-AFT budget survey 2009

Part III: Assessment & Return on Investment

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Methodology

- This survey was conducted to determine ways university departments can reduce spending and to elicit staff opinions about budget decisions being made. Findings and recommendations are being compiled and will be released in five parts.
- This was an online survey conducted from March 27 through April 4, 2009.
- An e-mail invitation was sent to all 1,968 members of the administrative unit, along with one reminder e-mail. Six-hundred and seventeen (617) people responded (31%).
- The text for each question is provided in the results, along with base numbers used in the analysis.
- The survey was anonymous.

Key findings:

- Results suggest departments would benefit from training and support in developing tools or parameters to determine the effectiveness of funded projects. Departments got relatively low scores for eliminating obsolete or outdated projects or activities.
- Many respondents would like to participate more in the budget decision-making of their department.
- A number of respondents cite organizational inefficiencies as examples of bad budget decisions made by the university.

Recommendations:

We recommend that all departments receive information and training on assessment and project evaluation, as well as the application of business model concepts in an academic environment, e.g., return on investment , cost-benefit analysis, and so on. The university typically handles budget cuts by passing them down from the division/school to the department. This does not help or encourage departments to determine the effectiveness of their projects and activities through formal or informal assessment or evaluation. Nor does it help answer questions like:

- Is there a more cost-effective way of doing this?
- Is a program or publication still relevant in a given field or profession?
- Are we meeting the needs of our constituents or target groups?
- What is the return on investment of these funds?
- What is the cost of the time and effort put in by staff and faculty to plan, coordinate, manage, or support a given project or activity?
- Are there other, better uses for department funds and resources?

Recommendations (cont'd):

Example: Rutgers Day

Is there an estimate of the costs involved, both university-wide and at the department-level? A recent memo from the president described some implicit goals: showcase strengths, reach new audiences, enhance recruitment, and gain visibility and support. Are there specific criteria or benchmarks being used to measure its effectiveness? There will be subjective judgments made, but some items could be measured:

- visibility (media coverage)
- support (increase in state funding and/or private donations)
- recruitment (number and quality of applications)

Fully informing the university community about the evaluation of this project could help motivate employees working at the event as well as increase overall support and participation by everyone; this is true for any university-wide initiative.

Recommendations (cont'd):

This kind of business model approach by senior management could also serve as a model for leaders at the department level, and encourage a more thoughtful and systematic approach to planning projects or managing any aspect of department operations. For example, any centralized department that provides information, products, or services to individual staff or other departments within Rutgers should conduct periodic assessments to determine the effectiveness of their efforts among their target groups or departments they support. This will help elicit suggestions or concerns that may not otherwise be voiced (see comments about organizational inefficiencies).

Recommendations (cont'd):

Utilize internal training resources:

Staff and faculty should be encouraged to pursue training and obtain resources in assessment or evaluation, and concepts like return on investment, from internal training resources, such as:

- The Center for Organizational Development and Leadership
- The Center for Teaching Advancement and Assessment Research
- University Human Resources

Recommendations (cont'd):

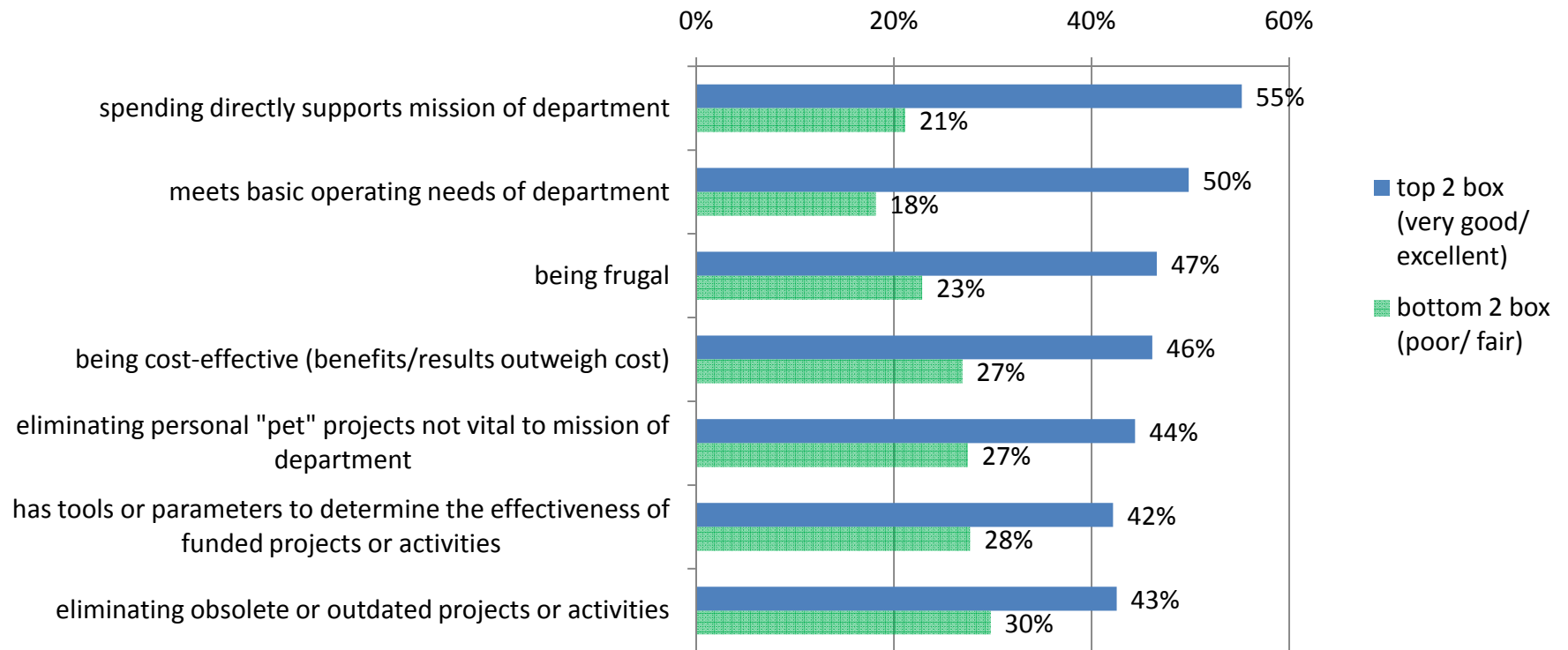
Encourage staff training on budget decision-making:

Staff who would like to participate more in budget decision-making should be encouraged to pursue the business-accounting certificate program offered through UHR.

Leaders of departments may want to give more information to a broader range of staff about their budgeting process, especially the priorities and reasons that determine the allocation of funds; this would create a stronger sense of shared mission and help people better understand the constraints and opportunities afforded by their department budget. It might also encourage staff to find more cost-savings for their department.

Budget decision-making of department

- Over a quarter of respondents (28%) rate their department as poor or fair in having tools or parameters to determine the effectiveness of funded projects; and three in ten (30%) give it low scores for eliminating obsolete or outdated projects or activities.



Q5 Please rate your department in making budget decisions based on the following criteria (five-point scale: poor, fair, good, very good, excellent). bases: supports mission (558); operating needs (578); being frugal (560); cost-effective (557); pet projects (491); tools or parameters (498); obsolete projects (517)

Who makes most daily budget decisions in department

- About one-fifth (22%) of respondents make most of the daily budget decisions in their department, either as part of a collaborative group (17%) or by themselves (5%).
- Almost eight in ten (78%) do not make most of the daily budget decisions.

makes most daily budget decisions in department	response frequency	
a collaborative group of two or more people, including me	17%	22%
myself	5%	
my immediate supervisor	29%	78%
someone other than me or my immediate supervisor	27%	
a collaborative group of two or more people that does not include me	22%	

Q1 Who makes most of the daily budget decisions in your department (select one)? base=588

Participation level in budget decision-making

- Of those who do not make most of the daily budget decisions, four in ten (40%) would like to participate more in the budget decision-making of their department.
- Fifty-five percent (55%) would like to continue at the same level of participation.
- Five percent (5%) would like to participate less.

participation level in budget decision-making	response frequency
I would like to participate more	40%
I would like to participate the same	55%
I would like to participate less	5%

*Q2 Would you like to participate more, the same, or less in the daily budget decisions of your department (select one)?
Base (those who do not make most daily budget decisions)=460*

Examples of bad budget decisions made by the university

- Aside from problems with top executives and the athletics program, organizational inefficiencies received the most mentions (11%) as examples of bad budget decisions made by the university.

examples of bad budget decisions made by the university	% mentioned
organizational inefficiencies	11%
neglect of facilities maintenance- results in costly damage and low morale	8%
wrong priorities	6%
College Avenue campus redesign inappropriate during fiscal crisis	6%
green- energy conservation not done enough (HVAC, lights, computers)	6%
technology- not invested in, not supported	5%
lay-offs	5%
too much spent on travel, meals, cell phones	5%
new capital projects in bad economic climate	5%
salaries & promotions- process unclear/unfair	4%
cutting staff and services	4%
purchasing- not enough bidding out jobs or other controls	4%

Selected comments

On organizational inefficiencies:

- Lack of communication regarding changes in policies. Just overall disorganization.
- Don't disseminate policy change information well, which causes work re-do's that cost time and thus \$\$.
- There is inadequate communication between payroll and purchasing and the departments that use these services - leading to rules not being understood, duplicated processes, et cetera.
- Each department has it's own budget system in addition to the RIAS/REX system.
- Cut down on the redundancy of some administrative tasks. For example, there does not need to be spin-offs of the Grad Portal. This information is up-to-date and does not have to be entered again for specific schools.
- More online transactions, instead of requiring paper forms and memos, which take more time to process. Records should be stored electronically.
- The university could save money if they would change RIAS over to a paperless system. Instead of having to forward copies of invoices, they should be able to be scanned and sent over with the original RIAS PO as an attachment and invoice processing should be able to view them. This does not happen now and paper copies have to be sent as backup for PO's to be paid. This also would give an electronic copy that would not be easily lost or misplaced. RIAS needs to be more user-friendly.
- In my department, we were renting a fax machine for ten years. By the time I started in 2005 that machine was not only still rented but antiquated. We saved nearly \$300 a year from purchasing a new fax machine. How could our dean's office approve such a P.O. and why didn't purchasing catch that we were renting a machine for more than it would cost to buy one that would last just as long?

Selected comments (cont'd)

On organizational inefficiencies (cont'd)

- At our research station, there is often equipment and supplies left from a researcher who does not get tenure. It is left for a new faculty member. But many times the new faculty member never uses the equipment or supplies. It just sits there while another researcher at the same facility will have to order the same stuff that's down the hall, not being used.
- Although Rutgers will reimburse travel at .51, our department is not allowed to receive reimbursement of travel unless we are transporting equipment. We are expected to travel on the bus. This is a waste of our time.
- Not having a centralized IT Department that handles the entire New Brunswick campus is a bad budget decision. There are huge inequities between departments.
- The university does not provide the most up-to-date internet/electronic services in all departments to allow for improved quality of services.
- Not effectively utilizing space/lack of planning to use space most efficiently.
- The university continually leases office space in New Brunswick for centers or institutes in commercial buildings. Why is there no room in existing RU buildings to house a handful of individuals from these centers?
- We are very physical plant-dependent - increasing online meetings/classes/conferences is an important national trend to follow.