

MASTER RECOMMENDATION 2: FIVE-YEAR GOAL FOR INSTITUTIONAL EFFICIENCY SAVINGS AND NEW RESOURCE GENERATION

Category	Recommendation	Component	Description	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Subtotal	Budget Narrative/Explanation of Efficiency Savings \$\$ (attach additional sheets if necessary)
Efficiency Savings	3A	Campus contracts	Require employees to use existing contracts for purchasing goods and services (where applicable).	\$ 100,000	\$ 100,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000	In FY2016 approximately 15% of University purchases were through existing contracts. Values shown represent savings enroute to a goal of 30% in FY2021.
	3B	Collaborative contracts	Pursue new and/or strengthened joint purchasing agreements.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Efficiencies realized through new and/or strengthened joint purchasing agreements is factored into 3A, above.
	4B	Operations review	Conduct an assessment of non-academic operations that might be run more efficiently by a regional cooperative, private operator or other entity.							
			Vehicle Fleet	\$ -	-\$150,000	70,000	\$ 70,000	\$ 70,000	\$ 60,000	Annual fleet budget is \$781,686. It is estimated that outsourcing to a private vendor could achieve 10 to 25% savings.
			Vendor Managed Inventory Process	\$ -	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 44,000	The University has approximately \$240,000 in inventory in current assets. Savings of 5% through a vendor managed inventory process may be possible.
			Subtotal Efficiency Savings		\$ 100,000	\$ (39,000)	\$ 281,000	\$ 281,000	\$ 281,000	\$ 904,000
Category	Recommendation	Component	Description	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Subtotal	Budget Narrative/Explanation of New Resource Generation \$\$ (attach additional sheets if necessary)
New Resource Generation	4A	Asset review	Conduct an assessment of non-core assets to determine their market value if sold, leased or otherwise repurposed.							
			Parking	-\$200,000	\$ -	\$ 7,000,000	\$ -	\$ -	\$ 6,800,000	Approximately \$200,000 in costs would be initially incurred to explore and negotiate the privatization of University parking.
			Naming Rights (Nutter Center)	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	Naming rights from concourses in the arena to the naming rights for the entire Nutter Center are being actively explored.
			Student Housing (Residence hall public-private partnership)	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,000,000	Negotiations for management of the University-owned housing are currently underway. WSU housing generates approximately \$13,000,000 annually.
			Child Care Development Center	\$-	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 380,000	Negotiations for management of the University-owned child care development center are currently underway. Estimated resource generation is based on a 5% revenue share.
			Arena Event Parking	\$ -	\$ 50,000	\$ 112,000	\$ 112,000	\$ 112,000	\$ 386,000	Estimated revenue corresponds to a phased change from a flat fee of \$3 per car to a tiered structure with prices between \$4 and \$10.
			Real Estate -- Leasing/Disposition	\$ 350,000	\$ 1,500,000	\$-	\$-	\$-	\$ 1,850,000	The University is exploring selling and/or leasing some of its underutilized real estate assets.
	4C	Affinity partnerships and sponsorships	Upon determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships.							
		Pepsi	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	Beverage services – Scholarships and programmatic support to students.	
		Subtotal New Resource Generation	\$ 150,000	\$ 3,145,000	\$ 7,707,000	\$ 707,000	\$ 707,000	\$ 12,416,000		
TOTAL OF COMBINED INSTITUTIONAL OPPORTUNITIES FOR ENHANCED STUDENT AFFORDABILITY				\$ 250,000	\$ 3,106,000	\$ 7,988,000	\$ 988,000	\$ 988,000	\$ 13,320,000	

SPECIFIC RE-DEPLOYMENT OF SAVINGS TO STUDENTS: Please use the area below to describe, in detail, how you plan to re-deploy the institutional resources that are saved and/or generated through the task force components outlined above to reduce costs for students.

Specific Re-deployment of Savings to Students:

4B Operations review: Wright State engaged KPMG to assist with the initial review of non-academic operations for potential opportunities for greater efficiencies and/or additional revenue. The University's Task Force on Affordability and Efficiency is involved in continuing assessment and evaluation of possible future implementation plans of the nine opportunities listed in the schedule provided by the Ohio Department of Higher Education. Several opportunities could result in direct reduction of costs to students:

- Parking:** Professional management of the University's parking could result in greater flexibility and a number of less expensive options for parking, particularly for commuter students who comprise approximately 85% of students at Wright State's Dayton campus. Approximately \$200,000 in costs would be initially incurred to explore and negotiate the privatization of University parking (for a possible one-time revenue of \$7,000,000).
- Student Housing:** Negotiations for management of the University-owned housing are currently underway. WSU housing generates approximately \$13,000,000 annually. An emphasis is being placed on freezing or reducing current student-housing costs. The current double occupancy residence hall room rate is \$6,066 per student and a 5% reduction in housing costs would result in an annual savings of \$303 per student.
- Child Care Development Center:** Negotiations for management of the University-owned childcare development center are currently underway. An emphasis is being placed on freezing or reducing current on-campus student childcare costs. A 5% reduction in on-campus childcare costs is a realistic goal.

4C Affinity partnerships and sponsorships: Wright State is involved in many partnerships and sponsorships with indirect benefits to students. Three partnerships that provide a substantial direct benefit to students in FY2016 are:

- Pepsi:** Beverage services – Scholarships and programmatic support to students.