



Youngstown State University

**Performance Assessment
Summary Recommendations**

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Introduction

This report of Summary Recommendations is designed to communicate a coherent and readable summary of our performance assessment of Youngstown State University (YSU or University) which was undertaken by the Auditor of State (AOS) at the request of the University. It is the distillation of over 14,000 hours of effort undertaken by the AOS with the assistance and support of YSU management and an external advisory group of Mahoning Valley business leaders.

YSU alumni were heavily represented on the assessment team.

YSU alumni were heavily represented on the assessment team. This document contains their perspective and insight on an institution which played a formative role in their development. It distills the wisdom and advice of the people employed by YSU. Finally, it embodies the advice of the Mahoning Valley business and civic communities. Their insight was sought out by the assessment team and is incorporated throughout.

YSU is challenged to change perceptions about it held by area high school students and their parents, and to manage the realities of competition in their primary market at times when growth in state subsidies lags behind University growth in employment costs. This document focuses on the major challenges which, if successfully met, will have

far reaching impact on YSU's ability to thrive during this period of change.

The report is divided into three sections. The first section, from page 1 to page 65, contains 20 recommendations and five commendations. We have evaluated these recommendations to be mission critical and urgently in need of attention. The order of these recommendations reflects the priority we assign to them. The five commendations recognize significant assets or processes in place and available to help the University achieve its mission.

The second section, from page 66 to 93, contains 42 recommendations and commendations. These recommendations require attention and may be critical to the mission of a department or group.

The final section, from page 93 to 127 contains 134 recommendations and commendations in a summarized format. Following these recommendations will positively impact the University.

We suggest the University create and execute a structured implementation plan which identifies goals and actions to be undertaken in response to the recommendations, and assigns responsibility and sets deadlines for their completion and achievement. The structure and organization of our report provides a framework for evaluating the relative importance of

our recommendations. Although timelines are not proposed for each recommendation, responding to certain recommendations is necessary before other recommendations can be addressed.

Background

In July, 2000, newly installed University President Dr. David Sweet approached the AOS with a proposal for conducting a comprehensive performance assessment of business functions and operating departments at the University to coincide with the beginning of his administration. Our work was part of a larger University and community based effort, called the Operations Improvement Task Force, to assist Dr. Sweet in:

- Increasing enrollment
- Enhancing financial stability
- Reversing perceptions about campus diversity, and
- Establishing and maintaining effective community partnerships

Specifically, we were asked to assess the following broad functional areas:

- Customer Service
- Facilities Management
- Fiscal Management
- Human Resources Management
- Technology Utilization

AOS devoted significant resources to the assessment, which was necessitated by its broad scope. At times, nearly thirty AOS employees were engaged in assessment activities. Senior staff and regional managers participated in this engagement which began, in earnest, on October 2, 2000.

Methodology

Our assessment methodology used the traditional tools of inquiry, observation, and evidence gathering and analysis. This work was supplemented by extensive best practice and industry research, peer university data provided by Cleveland State University, and the considerable experience of the assessment team's senior managers.

Inquiry. To determine issues of strategic importance, we sought out the input of every member of the Board of Trustees and senior University management in the early stages of our assessment. On several occasions, we obtained feedback from a group of Mahoning Valley business and civic leaders which convened as the Executive Committee of the Operations Improvement Task Force. We also met and obtained feedback from groups of University employees who convened as the Operations Committee of the Operations Improvement Task Force.

To determine issues most affecting students, we met with individual students, including members of student government and student trustees, and we held two pizza and pop receptions which were advertised in *The Jambar* and open to any interested student. The recent college graduates on our staff conducted informal discussions with small groups of reception

attendees designed to elicit their thoughts and concerns.

To determine issues most affecting University staff and to gain an understanding of key business and operations processes, we met with University management and staff as part of our daily assessment activities. These detailed interviews became the basis of our understanding of these processes. In many cases, follow up interviews were conducted to confirm and expand our understanding of these key processes. Generally, we began with the process managers, e.g., Executive Directors, and Directors, and confirmed their representations with the staff responsible for performing the work.

Observation. We supplemented our detailed inquiry with observations of processes. For example, we observed the spring semester registration process. These observations confirmed and enhanced our understanding of key business and operations processes. We shadowed individuals during the performance of their duties. These shadowing sessions were beneficial because they afforded an opportunity for extensive interviews and provided an in-depth understanding of YSU's operations.

Evidence gathering. Over the course of our assessment, we obtained and read studies of other consultants and statistics generated by the

University's management information systems.

These studies and statistics acted to confirm or revise our preliminary conclusions.

Best practice research. We conducted extensive research on industry and functional area best practices. We consulted industry publications and web sites, and attended current industry conferences at which we networked with practitioners and heard about evolving best practices.

Peer data. The assessment team searched the Integrated Postsecondary Education Database System (IPEDS) using criteria designed to identify appropriate peer universities and developed in coordination with the University's Office of the Provost. The assessment team developed an extensive data request which was delivered to several institutions which matched the criteria established for peers.

We would like to publicly acknowledge and thank Cleveland State University for its prompt and complete response to our data request. Its response was used in several areas of our report and workpapers.

Assessment team experience. The assessment team's senior managers possess over 100 years of combined business experience in the private and

public sectors. That experience was helpful in asking the right questions and essential in identifying the issues of overriding strategic importance which are developed in this document.

We organized the assessment team around the five broad service areas identified in our scope:

- Customers
- Facilities
- Fiscal
- Employment
- Technology

A senior AOS manager directed the assessment activities and developed the findings and reports in each assessment area.

We interviewed members of the Board of Trustees, employees, students, faculty, administrators, and community leaders. We shadowed many of them in the performance of their duties. We corroborated evidence obtained through interviews and observations with alternative sources. We documented key business and operations processes in *condition statements*.

We researched process best practices. We researched higher education industry and functional area trade group publications, peer data, and common business sense. We documented these best practices in *criteria statements*.

We considered the effect on business and operations of the University of not following best practices when current practices did not represent a best practice. We documented these considerations in *effect statements*.

When current and best practices differed, we recommended migration to best practices. When current practices were considered best practices, we commended the University on their adoption.

We confirmed condition statements with the sources of the evidence and discussed our criteria, effect and recommendation/commendation statements with them and their directors and executive directors, or, if in an academic area, deans and assistant provosts.

The combination of condition, criteria, effect and recommendations/commendations are referred to as findings. In addition to the extensive findings confirmation process described above, we confirmed all findings with appropriate personnel at the Vice-Presidential and Provost level.

In addition to regular communication among the assessment teams, the engagement managers met after the completion of the fieldwork to share results of their assessment activities and to prioritize the issues developed by them. The highest priority findings are developed in this Report of Summary

Recommendations. Many other findings of lower priority, are referred to in this Report of Summary Recommendations and are fully developed in our working papers. Still other findings are developed only in the working papers. Copies of our working papers have been made available to the administration.

Youngstown State University

Youngstown State University is a State-supported, open-enrollment university located on the edge of downtown Youngstown, Ohio. Fall semester 2000 student enrollment was 11,787. The University employs over 2,800 people, including 1,359 students and 787 faculty.

Youngstown State was founded in 1908 as a law school affiliated with the YMCA. For nearly 60 years, it existed as a private college and then university until it merged with the State of Ohio public university system in 1967.

Current unrestricted revenue totaled \$111 million in fiscal year 2000. Tuition and fees, state appropriations, and sales accounted for 41.4%, 43.2% and 12.1% of revenues, respectively.

Current unrestricted expenses totaled \$105 million in fiscal year 2000. Employee compensation accounted for 70% of these expenses.

Current, unrestricted fund balance rose from a deficit of \$1.3 million in 1999 to a positive balance of \$1.5 million in 2000.

The University is fully-accredited by the North Central Association of Colleges and Schools and offers three

associate degrees, eleven baccalaureate degrees, nine masters degrees and a Doctorate in Educational Leadership through six colleges and the School of Graduate Studies. It offers over one hundred courses of academic study ranging from traditional arts and sciences to high technology and health care fields.

The University's primary market area is northeast Ohio and northwest Pennsylvania, specifically the counties of Trumbull, Mahoning, Columbiana (Ohio), and Lawrence and Mercer (Pennsylvania).

The University is assisted by the Youngstown State University Foundation (YSU Foundation or Foundation). The Foundation exists as a separate Ohio non-profit organization which provides scholarships to students and grants to the University. Foundation assets exceed \$100 million.

Recommendations

1. ***Create your vision of the future. Define your mission. Prepare for change.***
-

Youngstown State University can create a vision of its future, or allow economic and regulatory forces and societal perceptions to define the future for it. Both choices are difficult. Only one can create the kind of institution that is in the minds of the administrators, faculty, staff and students with whom we met.

Among its first steps, the University should develop a forward-looking, concise and compelling vision statement. Planning activities should derive from the vision and be designed to support it. The development process should include major University stakeholders, for example, students, management, labor, and members of the business and civic communities. A vision which is shared by these communities is one more likely to be persistently acted upon.

The University should reach out and partner with the Youngstown State University Foundation in the development of its vision. Foundation membership represents a cross-section of the Mahoning Valley business community and has the resources to assist the University achieve its vision.

	<p>The vision statement should be forward-looking. Consider how your website will welcome prospective students in 2008. Capture in a short paragraph the essence of what YSU will be in its centennial year.</p>
<p>The vision statement should fit on the back of a business card.</p>	<p>The vision statement should be concise. A trustee we interviewed suggested that it should fit on the back of a business card -- we agree. Distilling the agenda of various campus interest groups into a concise vision statement will cause all to focus on core values held in common. These core values provide a solid foundation for proceeding.</p>
<p>If you had only 10 seconds to convey everything important about YSU, what would you say?</p>	<p>The vision statement should be compelling. It should be a statement that makes people associated with it proud of that association. What is the first impression that YSU wants to give to employees, prospective and current students, and interested community members? If you had only ten seconds to convey everything important about YSU to someone unfamiliar with the University, what would you say? It is in answering these questions that YSU will find its compelling vision.</p>

The University must revise its mission statement to align with its vision. The mission statement should define the University's reason for existence and profess its core values and beliefs. Like its Vision, the University's Mission should be concise.

If transforming or forced change is inevitable, which would you choose?

Status quo is untenable. Change is inevitable and difficult, and YSU requires a transforming change. Change will be required of everyone – faculty and students; management and labor; University and business community – if a shared vision is to be developed and achieved.

The Mahoning Valley business and civic communities need YSU to be an engine of economic development by training a workforce that can attract and retain a level of business activity sufficient to deliver and maintain large numbers of well-paying jobs for the Valley. The University must engage the business community on this agenda and prepare for transforming change.

Transforming change must come from within the Valley; it cannot be forced on it from the outside. One could argue that change forced from the outside is not change at all, rather a temporary adaptation required until the outside forces abate and the organization reverts to its previous course. Both transforming and forced change are difficult, but only transforming change is controlled by the organization and will result in a desired end state other than survival. If change of one sort or the other is inevitable, which will you choose?

2. ***Plan to achieve the vision and mission.***

The strategic plan is the primary accountability document of the administration.

Strategic planning is a natural outgrowth of the vision and mission development process. Strategic planning takes the rhetoric of the vision and mission and answers the question – how? How will we know when we achieve the vision? How will we know when we accomplish the mission? It also answers the mundane, but equally important questions such as who will accomplish the objectives and when will they be accomplished. The strategic plan is less theoretical and more concrete than the vision and mission. It is the primary accountability document of the administration.

A strategic plan is like a road map.

The University should develop a strategic plan. A strategic plan is like a roadmap. It starts at the current state and ends at the achievement of the vision and mission. Like a roadmap, it lays out milestones and landmarks, and it is a means to measure progress.

There may be more than one way to get from the current to the desired state just as there is more than one way to get from Youngstown to Columbus. The organization should agree on one path based on the characteristics unique to it, and require that all follow the path chosen. This enhances cross-functional comparisons and gives an organization's leaders a more precise measure of organizational progress.

You achieve your vision by achieving the goals in the strategic plan.

Achievement of the goals and objectives of a strategic plan measures an organization's progress. The plan should specify time frames for accomplishment. The goals should be challenging, not easily achievable, and effective in realizing the vision. Hence, an organization should take great care in asserting these goals and objectives just as a traveler would take great care in mapping out his or her route. ***The goals and objectives enumerated in the strategic plan should be measurable and take into account an expected time for achievement. The goals and objectives should be expressed in terms of performance measures against which individual managers should be held accountable.***

The goals and objectives embodied in the strategic plan will be achievable over different durations. Some will be achievable quickly; others will take more time. An effective strategic plan will contain a mix of both short and long-term goals and objectives.

The planning process needs to be inclusive.

To many, the term strategic planning connotes a notion of centralized planning. While centralized planning is a model under which strategic planning exercises can be engaged, it is not the model we would suggest for YSU. Like most colleges and universities, YSU is made up of diverse, independent constituencies. It is vitally important that each constituency is represented in the process and that the outcomes of the process are supported by them,

since they will be charged with accomplishing the plan. Both labor and management must take ownership of this document. The YSU Foundation is a key stakeholder and should have a place at the table when developing the strategic plan.

YSU should regularly report on its progress toward meeting its goals and objectives. We recommend quarterly reports to the Board of Trustees and annual reports to the Mahoning Valley community. An annual report to the community can be used as a marketing tool as well as a communication tool. Positive momentum as a result of achieving goals and objectives can be accelerated by marketing those successes to the community.

3. *Improve labor relations.*

Relations between management and labor are characterized by a lack of trust.

Relations between management and labor at YSU are characterized by a lack of trust. Interviews with members of the University's Board of Trustees, administration and unions confirm this breakdown of trust. Rebuilding it may be the single, most important task facing the leadership of the unions and administration.

While we have heard anecdotes from both labor and management about bad faith contract administration, inflated egos and personality conflicts, we believe they are evidence of symptoms and are not the root cause of the mistrust. We believe this lack of trust results primarily from lack of empathy. Lack of empathy results when parties are inwardly-focused rather than focused on their shared customer. For example, management's focus on optimizing resources in the face of steadily declining enrollment hinders its ability to see and feel the effects of its decisions on those who must carry out the work of the University. Labor's focus on protecting and expanding its members' contractual rights hinders its ability to recognize the economic forces buffeting the University and motivating management decisions, and makes it easier to ascribe less noble motives to them.

Symptomatic of this lack of trust is the significant increase in the number of grievances filed by the unions representing YSU's classified and faculty employees. That YSU management has been successful in defending its work practices in arbitration should not obviate concern about the number of grievances filed. An immediate, practical concern is the cost to the University of managing the grievance process. Outside counsel costs associated with grievance activity have risen from \$11,000 in 1999 to \$36,000 *for the first four months of 2001*. These costs represent only a fraction of the costs associated with the grievance process. More costly, although difficult to quantify, is the lowered morale of employees which translates into less effective service to customers.

To rebuild trust, each party must shift its focus to their shared customer.

To rebuild trust, each party must shift its focus toward the greater good – the shared customer. The labor summit called for by Mr. Mark Shutes, former faculty union president, and which is being organized by recently installed President Sweet and scheduled for this Spring could be an excellent start toward building trust. Management and labor must be full partners in the vision, strategy, and budget development processes. Both management and labor must spend more time listening and less time explaining their motivations or concerns. By doing this, each party will be practicing the key skill necessary to

develop empathy. An immediate opportunity for constructive and civil dialog and empathy development is the survey published by YSU's faculty union soon after President Sweet's installation, which, among other concerns, reported that 88% of faculty believe the administration is unaware of the serious problems faculty face, and 82% believe the administration is not responsive to faculty concerns.

"We must improve the quality of discourse between the administration and the unions."

Dr. David Sweet

The University should consider obtaining the help of an outside facilitator in the trust building process. Key ingredients in rebuilding trust are time and a civil discourse. Without them, trust cannot develop. Labor and management must be willing to engage in a trust building process without acrimony and the expectation of immediate results. Outside facilitation can be an effective strategy in achieving understanding and cooperation between labor and management. As Dr. Sweet has stated on many occasions, "We must improve the quality of discourse between the administration and the unions." We could not agree more.

4. Develop and implement effective strategies encouraging diversity on campus.

“YSU suffers from the perception that it is not diversity-friendly.”

Dr. David Sweet

“YSU suffers from the perception that it is not diversity-friendly,” stated Dr. David Sweet, University President, in his first *State of the University* address. That YSU suffers from this perception is evident.

While the demographics of its student population mirrors the demographics of the region, it does not mirror the demographics of its two largest markets for potential students, the Youngstown (73.6% minority) and Warren City School Districts (46.3% minority). These two markets represent a unique opportunity and source of students for YSU.

A recent draft report of the Campus Climate for Diversity Survey Subcommittee concluded that 32% of survey respondents frequently or occasionally felt pressured to remain silent on issues concerning ethnic minorities. The subcommittee argued that the “. . . silence is a product of an insecure, unsafe and a closed environment that prevents open communication,” and that it indicated “. . . a lack of trust and equal power in a social relationship.” The report concluded that “[r]emaining silence will keep problems hidden that in turn will deepen and widen the gap among people and groups.”

Today, the University has a unique opportunity to affect others’ perceptions of its diversity-friendliness. Currently, there are several open upper and middle-

management positions for which the University is recruiting candidates, including Provost, Chief Financial Officer, Registrar, Director of the Office of Financial Aid and Scholarships, Director of the Office of Undergraduate Recruitment and Admissions, and Executive Director of Human Resources and Labor Relations. Additionally, in this report we recommend that the University retain a Chief Technology Officer.

The University should fill several vacancies with qualified minority applicants.

In the near future, the University should fill several vacant positions among the administration and faculty with qualified minority applicants, establish enrollment and employment diversity goals as a part of its strategic planning process, and hold its enrollment and diversity managers accountable for achieving them. Following the model used for enrollment initiatives, the University should invest its diversity initiatives with higher visibility and greater power by creating a cabinet-level diversity position. We envision this person as a direct report to the President, and the person primarily accountable for achieving diversity objectives.

The University's own affirmative action office reports that minorities (primarily women, African-American and Hispanic) are under-represented in the executive, administrative, managerial and upper professional ranks. While at first glance these facts may appear unrelated, our interviews with members of the minority community suggest that they are intertwined, and that the lack of minority representation in the

higher ranks at YSU may be working to suppress University enrollment from the minority community, and that a good way to increase minority enrollment may be to increase minority hiring.

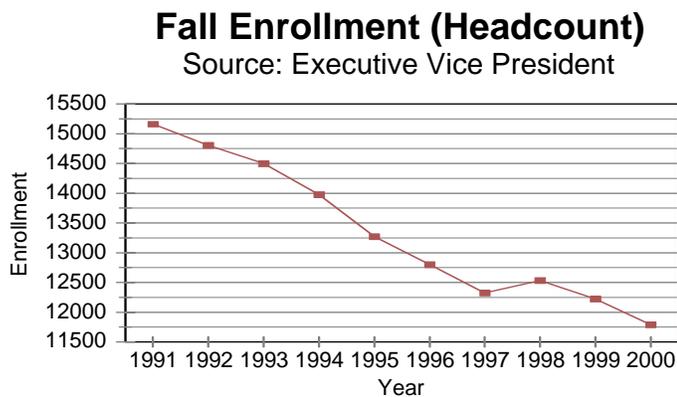
Student, faculty and staff retention must be given as much attention as recruitment. Effective strategies for retention include structured sponsorship and mentoring programs that pair new students and employees with experienced peers and managers who can relay important information of an informal nature. Some have described this information as “knowing which ropes to climb and which ropes to skip.”

The University should become more open to the minority and ethnic communities by sponsoring a regular schedule of cultural events and family activities on its attractive urban campus and use these opportunities to sell the benefits of attending YSU. It will also serve to make the minority community feel more welcome and achieve its enrollment and diversity goals. These events will provide positive publicity for the University, opportunities for area residents to take ownership of “their” University, and opportunities to get prospective students on campus.

Increasing diversity needs to be everyone’s job. Each administrator, faculty and staff person has a role in increasing campus diversity.

5. ***Develop and implement a comprehensive enrollment management plan.***

Student enrollment is the primary engine which drives YSU's operations, and that engine has been sputtering for several years as the table below illustrates:



Enrollment concerns are heightened in light of the declining population of the Youngstown area.

Enrollment concerns are heightened in light of the declining populations in the Youngstown area. Restrained growth in state appropriations for higher education forces institutions to rely more heavily on tuition and fees to maintain a healthy bottom line. However, the rate of growth is capped by regulation and further constrained by competition. Increasing tuition on remaining students will not offset the effects of declining enrollment and may discourage applications and encourage student withdrawals.

Reversing enrollment decline has been Dr. Sweet's number one priority since assuming the duties of University President. Toward this end, he has

reorganized the reporting relationship of enrollment services so that it currently reports directly to the President, and charged its Director with achieving a five percent increase in enrollment for Fall 2001.

Reversing a nearly decade-long decline in enrollment will not be an easy task. The steps taken by Dr. Sweet represent positive first steps, but many tasks remain, chiefly to develop and manage a comprehensive enrollment plan.

The University studied enrollment management in 2000 and received a report from practitioners at other universities which also recommended that YSU develop a comprehensive enrollment plan.

We also recommend the University develop a comprehensive enrollment management plan which:

- ***Embraces its open-admissions charter***
- ***Exploits the strengths of its urban setting***
- ***Embodies the principles of community partnerships and diversity***
- ***Emphasizes increasing enrollment from its two largest markets – Youngstown and Warren.***

Annual enrollment objectives should be developed from longer-term strategic enrollment objectives and accountability for achieving the

annual objectives should be fixed. The University should monitor achievement of objectives and take necessary actions to achieve them.

Enrollment management needs to be everyone's job. Administration, faculty, and staff must all play roles in stemming enrollment declines and increasing enrollment.

6. **Retain more students who enroll at YSU.**

In today's ever-changing and competitive environment, it is not enough for a university to enroll students. They must be retained.

The issue of retaining students is a common problem. The Ohio Board of Regents, *State Supported Ohio College and University Performance Report*, dated December 13, 2000, sought to determine the rate (persistence rate) at which first year, full time, degree seeking students returned to the same institution the following year. In this study, Youngstown State's persistence rate was reported to be 67%. Nationally, same school persistence is estimated to be 54% at open-admission four year institutions, and 82% at selective four year institutions. Within Ohio, same school persistence at open admissions four year institutions varied from 56% (Shawnee State) to 72% (Wright State).

Retention goal should be part of the strategic plan.

Increasing student retention should be part of the comprehensive enrollment plan and strategic plan. The plans should include specific retention goals for colleges and departments, deadlines, and individuals responsible for achieving them. Colleges and departments should be held accountable for achieving retention goals.

Each fall, the University Office of Institutional Research compares its students currently enrolled to students enrolled the previous fall. This study reveals

that a significant percentage of students, enrolled during the previous fall term were not enrolled in the current fall term. For the 2000 fall term the statistics are as follows:

**Youngstown State University
Gross Progression of Students
Examining 2000 Fall Term 14th Day Headcount**

Academic Rank Previous Fall Term	Number of Students No Longer Enrolled	Percentage of Academic Rank
First-Time Freshman	719	35.19%
Returning Freshman	856	36.71%
Sophomores	492	22.87%
Juniors	544	27.76%
Seniors	1,705	67.15%

About 2,000 Freshman or Sophomores currently enrolled will not return to YSU next fall.

It should be noted that graduation, a positive outcome, is a major factor in the progression rate affecting Juniors and Seniors and is not factored into the data. However, among Freshman and Sophomores, over 2,000 students enrolled at YSU during the fall 1999 term did not return to YSU for the fall 2000 term. The number of students not returning and their percentage of academic rank have been reasonably consistent over the past seven years.

Among the implications of this data are that these students who are no longer enrolled represent a pool of potential students who have already chosen YSU for higher education and are more likely than the general population to do so again. The data also imply that about 2,000 students currently enrolled at

the Freshman and Sophomore ranks will not return to the University next fall. Finally, the data imply that continuing University focus on reducing the number of non-returning Freshman and Sophomores will have a positive impact on enrollment.

As an open admissions four year institution, YSU must address the challenge of potentially less prepared students enrolling in their schools.

Academic counseling should be provided at the beginning of and throughout the student's college experience. "At risk" students should be identified early on in the process so that they may be directed to the proper "remedial", "compensatory" or "developmental" courses. An adequate supply of these courses must be made available at dates and times that fit the student's needs.

In addition to these "remedial" or "developmental" courses, the mentoring and coaching of students must be the business of ALL faculty and staff not just those directly involved with the University's sports programs.

More than once, in the course of discussions and interviews, examples of comments directed to students such as "You shouldn't be in college" or "You should be in an easier program" were offered up as examples of a less than warm and friendly environment at YSU.

To maintain enrollment, an institution must retain

the students it enrolls. Early counseling, proper placement, availability of remedial programs and a student- supportive environment will propel YSU to greater success in attaining its enrollment goals.

7. ***Become a customer-driven organization.***

Organizations

which lose

customer focus lose

customers.

Organizations which lose customer focus lose customers. Given choice, customers, both internal and external, prefer organizations focused on meeting their needs. YSU's enrollment decline over the past decade is attributable to many forces, some of which are outside its control. However, refocusing processes on customers' needs is within its control. ***YSU should organize around processes that are focused on meeting customer needs and constantly refine those processes in a continuous improvement framework.***

Employees who cannot satisfy customer needs, or classes scheduled at times inconvenient for students, especially non-traditional students, are symptomatic of processes which have lost customer focus. A campus police officer more concerned about filling out paperwork than returning a lost wallet, or a faculty member advising a student that they are not college material rather than encouraging the student to obtain tutoring or designing remedial course work for that student are examples of people working within processes that have lost customer focus.

Employees who administer these processes want to meet customer needs and become frustrated by processes which have lost customer focus as much as the customers themselves. This frustration can

exhibit itself through excessive bureaucratic behavior and absenteeism.

Organizations which achieve a high level of customer satisfaction have intense and consistent focuses on both internal and external customers. They survey customer satisfaction continually and act on the feedback they receive. They involve their customers in process improvement efforts to assure that their output is useful and to learn more about their customers' needs. They use customer feedback to improve the effectiveness of their processes, and to satisfy, and even delight, their customers. Often, a beneficial side effect of intense customer focus is the identification of procedures which are no longer necessary and which can be eliminated.

YSU should continually survey customer needs, listen carefully to survey results and, based on them, redesign processes to meet customers' needs. YSU should develop objective performance measures that demonstrate its effectiveness in meeting those needs, and manage its resources with the goal of achieving or exceeding performance measure goals. YSU should report its performance measurement goals quarterly to its Board of Trustees and employees, and annually to the community.

Since large organizations are comprised of many

people performing many procedures to service many customers, embarking on an intense customer focus effort requires a framework suitable for evaluating and improving the thousands of customer/process relationships. Without a framework, an organization may expend energy in an uncoordinated manner, see little immediate improvement, and lose its customer focus.

One such framework is the QStP process. QStP stands for Quality Service Through Partnership and was developed by the State of Ohio. QStP has many characteristics to recommend it to YSU. Among them are:

The QStP process incorporates the principles of management / labor partnership.

- It was developed for organizations that deliver services (as opposed to goods, like wiring harnesses).
- It was developed and is used in organizations in which a significant amount of employees are represented by unions.
- It emphasizes partnering between management and labor.
- Its tools, methods and instruction are available at little or no cost to organizations affiliated with state government.

We recommend that YSU engage in the QStP process to support a renewed customer focus.

8. Expand and promote degree completion, associate and certificate programs, and distance learning initiatives.

The University should develop and implement programs which meet the needs of area employers, students and potential students.

Our interviews with trustees, area business leaders and the Youngstown Warren Regional Chamber of Commerce provided insight on the business community's needs. Among them is a steady supply of well-trained, technology-savvy workers to help area business thrive in an environment characterized by rapid change and global competition.

Employees are demanding and companies are providing assistance to their employees to maintain current skills and develop new ones. Colleges and universities that position themselves to capitalize on this trend will thrive.

Companies and employees today recognize that job skills that match employer needs is the only true security in the labor market, and both recognize the value of life long learning to maintaining competitiveness.

Partnership opportunities with local businesses abound.

Partnership opportunities with local businesses and government and non-profit organizations abound. Several local employers we spoke with expressed interest in maintaining the skill sets of their

employees. Many of these employers also offer tuition reimbursement to their employees and have other funding sources that are underutilized.

Mahoning County is one example of an organization that needs to maintain and upgrade the skills of its employees and offers tuition reimbursement to its employees.

YSU should develop and deliver programs that encourage postsecondary school enrollment among area high school students. The Mahoning Valley has a low level of postsecondary school enrollment when compared to other areas of the State. While this statistic may be viewed with alarm, it represents an opportunity for YSU.

YSU should expand its efforts to provide group rates for tuition and fees. Currently, YSU has established group tuition discounts for a limited number of programs designed to provide teacher groups with graduate credit. Over 90 students are currently enrolled in one of five sections. YSU faculty teach these courses, but do so on their own time, and YSU incurs no marginal payroll cost. The groups meet at school district locations, so YSU incurs no marginal facilities cost. YSU evaluates syllabi and determines whether the program qualifies for college credit and grants that credit. Marginal revenues associated with this program exceed marginal costs. YSU should look out for additional opportunities to

offer programming that contributes to its financial stability.

The University should continue to develop and promote courses designed for returning students who desire to complete their degrees. YSU also has a large number of students who return to school after several years in the workforce to enhance their skills and, possibly, obtain their degree. In fact, the Ohio Board of Regents revised its report titled *The State-Supported Ohio College and University Performance Report: Student Outcomes and Experiences* dated December 13, 2000, in part to reflect the fact that YSU enrolled so many of these non-traditional students.

YSU should aggressively market their Associates Degree offerings. The Mahoning Valley experiences a lower percentage of its population that pursues a traditional four year degree. YSU offers some alternatives to the traditional four-year academic degree. For example, it offers three associate degrees, for students who wish to obtain employable skills and join the workforce.

YSU should expand and promote its programs developed in partnership with area schools and businesses that develop skills in high demand by employers. The Mahoning Area Consortium Technical Preparation Program (MAC Tech Prep) is

an outstanding example of the synergies that can be created by partnering with local school districts in the development of employment skills.

YSU already offers several innovative programs designed to attract students who are either not prepared or not interested in a traditional four-year academic degree. For example, its Cisco Academy, A+, and Microsoft Certificate programs are cited elsewhere in this report for their innovation.

The University should develop and implement more courses that utilize the new delivery models made possible by high speed communication networks and the internet. The University should also leverage its foresighted investment in its information infrastructure to deliver more course work via distance learning alternatives including live, interactive distance learning and web-based course work. The University has identified a target market for graduate level education courses provided to area teachers. This market is already being explored by institutions like Ashland College and is fertile ground.

9. Consolidate technology funding and planning under a chief technology officer. Create an advisory body to the chief technology officer of technology stakeholders.

Funding, planning and support for technology at YSU are decentralized. The major divisions currently are: administrative computing, academic computing and the College of Arts & Sciences. Several mid- and high-level managers maintain some technology responsibilities.

Decentralized technology administration has resulted in a less cohesive and integrated technology environment. For example, multiple e-mail systems exist and communication between them is not seamless. Multiple configurations of computers exist on campus and this complexity adds to maintenance costs. A combination of developed and purchased administrative computing software is less integrated, requires more manual effort and is more costly to maintain than a centrally planned and developed system.

As it is currently organized, YSU is challenged to consolidate technology planning and coordinate it with the University's strategic plan. Current planning is driven more by funding levels than University priorities, and contributes to employment of equipment in multiple configurations.

Many organizations, including colleges and

universities, choose to consolidate technology funding, planning and support processes under an executive officer called either a chief information officer or a chief technology officer. A chief information officer is often thought of as a visionary business partner, a major contributor to the development of strategic planning, and is often found in organizations for which technology and its development is a core competency. A chief technology officer is often found in organizations needing to consolidate disparate planning and support processes and leverage buying power and limited resources to the organization's advantage.

YSU should consolidate its funding, planning and support processes under the leadership of a chief technology officer. We recommend the chief technology officer report directly to the University President. Specifically, we believe the University should consolidate its technology funding, planning, acquisition, implementation, and maintenance processes for all hardware and general utility software. General utility software is distinguished from software unique to a college or department research mission. This software should still be funded, acquired and maintained out of the college or departmental budget.

In recognition of the collaborative operating environment at colleges and universities, ***we recommend that the University create a***

committee composed of technology stakeholders including representation from the business community to advise the chief technology officer in the development of technology priorities. This committee would serve in an advisory, not policy-making, capacity, and assist the chief technology officer in developing a technology plan which would be coherent with the University strategic plan.

Outside representatives on the steering committee should be responsible for their organizations' technology planning and support functions and have experience aligning their organizations' technology and strategic plans.

Inviting outside representation on the steering committee also serves as an additional partnership-building opportunity for the University and can help it more fully integrate into the economic fabric of the Valley. This partnership will benefit both the University and the business community. The University will access the experience of companies working to remain globally competitive and who use technology to increase productivity and the quality of the goods or services they produce, and the business community will benefit from the theoretical, forward-thinking University community which will help them focus their long-term technology planning.

10. Upgrade or replace administrative computing systems.

Most of YSU's administrative computing systems were developed by in-house programmers on a non-standard database, are old and have been patched repeatedly, and do not take advantage of current technology.

Perhaps no area affects a larger number of internal and external customers more than the University's administrative computing systems. These systems process e-mail, payroll, accounts payable, accounting records and budgets, financial aid, student registration, bursar, and more. Customers' interactions with these systems influence their perception of the University just as quality and availability of faculty, or condition of the grounds or buildings affect it.

The perceptions of internal customers are especially influenced by their interaction with administrative computing systems. For example, a faculty member may become frustrated at the inability to read e-mail attachments sent by a different on-campus mail server, or an administrator may become wary of using data produced by the budgeting system if it doesn't produce reports in useful formats.

Most current administrative computing systems were developed in-house using a database program called Custom Model 204. As a development platform for

administrative computing systems, Custom Model 204 does not have a large share of the market as does Oracle or IBM. Its limited market share means that Custom Model 204 programmers are difficult to find or replace, exposing YSU to a higher labor market risk than would be the case if they developed on a more popular platform. YSU's focus on in-house development further exacerbates its labor market risk.

Alternatives for enhancing administrative systems include the purchase and integration of an Enterprise Resource Planning (ERP) system. This alternative would shift the focus of in-house programming and system analyst staff from development to system integration. YSU would benefit from a pre-configured system which incorporated many best practices in administrative areas. This alternative is expensive and the cost of the software is estimated to be only 20-33% of the total cost of an implementation.

Another option is to investigate the growing market for application hosting by a third party. These application service providers (ASP's) develop and maintain the software and provide a convenient method for the University to maintain its data on the ASP's system through use of the ASP's software. YSU benefits by leasing the software which is maintained by the ASP and not tying up significant resources in a purchase. This alternative would free up the in-house programming and systems analyst staff for other duties including monitoring the input and output of the

ASP for compliance with the terms of the contract. This alternative is relatively new and its success will be determined by how well the contractual parties' responsibilities are prescribed and monitored. Since this is a relatively new market, the University should determine the financial viability of any ASP with which they are considering a contract.

A third alternative is to stay the course with in-house development under Custom Model 204 database. The database program is of a current generation and can be programmed to do many of the things the more popular databases can do. YSU benefits by using current resources to upgrade existing systems, but this alternative will do nothing to mitigate the labor market risks to which YSU is currently exposed.

Our recommended course of action is begin a business process re-engineering project and leverage the best practices incorporated into most large commercial ERP vendors. This project would be an extensive undertaking, should be phased in over at least three years, and will be a one-time cost with a multiple year pay back period. A similar project undertaken by Cleveland State University cost nearly \$16 million, and included costs of software, business process re-engineering, configuration, implementation, and training. External funding sources such as area businesses and the YSU Foundation should be approached for funding this important project.

11. Seek out additional sources of funding

It is unlikely that YSU will experience significant revenue growth from State funding in the foreseeable future. The FY 2002/2003 Education Budget bill calls a for 2.7% increase in FY 2002 and a 3.3% increase in FY 2003 in Core Institutional Support. State Share of instruction, which makes up 90% of Core Institutional Support in both years of the biennium, is slated to increase only 2% each year. Provisions of the Education Budget bill affecting higher education may be significantly altered during the legislative process including provisions which support tuition decisions made by the University for fall 2001 enrollment. Through a more aggressive lobbying effort and challenge grant management, YSU may increase its share of the State funding pie, however, for larger revenue increases, the University will have to look elsewhere.

Tuition and general fee increases are constrained by legislation and competition. State supported Universities' tuition increases have been capped at 6% per year. Additionally, perhaps more importantly, tuition and fee increases are constrained by competition with neighboring institutions. For example, both Cleveland State University and the University of Akron compete in the same geographic area as YSU and charge similar tuition and fees. YSU has recognized these economic realities and, in

anticipation of the education funding levels currently proposed in the Education Budget bill, set lower tuition rates for fall 2001 semester for associate's degree and underclass students. The Education Budget bill for 2002/2003 is undergoing legislative review and could be substantially modified. The modifications could affect YSU's ability to follow through with its fall 2001 tuition plan. Substantial tuition increases must come from increasing enrollment, and grant and fundraising activities.

YSU should increase grant receipts from federal, state, and local government sources. Although YSU has significantly increased the funds it has received from granting sources over the past five years, it still lags behind other universities in obtaining grant funds. A report, published last December by the Board of Regents titled *State-Supported Ohio College and University Performance Report*, ranked YSU last among the thirteen Ohio state-supported universities which engage in research using federal, industrial, or other (e.g., independent foundations) funds. The report noted that during FY 1998, YSU received no research money from industrial sources. The University has aggressively pursued grant money since 1998.

Each college should set a target for grant receipts which should be incorporated into their revenue budgets. College deans should be evaluated on

their abilities to manage their budgets including meeting their grant receipt targets.

YSU should develop win-win partnerships with private and public sector employers which result in new or additional revenue streams to the University. St. Elizabeth Hospital needs many more nurses each year than YSU graduates. Existing hospital personnel require periodic in-service training that could be provided, possibly via distance learning technology, to these personnel at the hospital's and its employees' convenience. Large commercial employers such as General Motors have made a community's ability to provide and maintain a well-trained workforce a priority in plant location decisions. Mahoning County currently sends participants in a grant funded job training program to Kent State University because YSU does not offer a similar program. Finally, the Youngstown/Warren Regional Chamber of Commerce has identified increasing the overall educational attainment levels as the primary means of improving the standard of living in the Valley and recruiting and retaining employers which provide high wage jobs.

YSU should increase its fundraising activities, expand its annual fundraising plan to include unrestricted giving, and foster closer ties to the YSU Foundation. The recent incorporation of the YSU Alumni Association into the University provides a

platform from which YSU should aggressively expand its fundraising efforts. The University should focus on increasing its unrestricted gifts which provide greater flexibility in meeting operating requirements. YSU should expand its annual fundraising plan and focus its efforts on alumni, area businesses, the YSU Foundation, and high net worth individuals as part of their estate planning process.

The annual fund raising plan should be aligned with the University's strategic plan and contribute to the achievement of the University's mission. Specific projects to be funded by gifts and the proposed source of the gifts should be identified and the gifts pursued. A development manager should be responsible for developing the plan and aligning it with the strategic plan and be held accountable for executing the plan.

The Foundation has historically provided extensive scholarship monies to students choosing to attend YSU. It has occasionally funded administrative priorities of the University such as when it helped the University purchase a new mainframe computer in 1997. However, during the next several years, we are recommending major initiatives be undertaken by the University which cannot be funded internally. The University should approach the Foundation as **one of the** potential funding source for these initiatives. If the Foundation has been directly involved in vision

and strategy development, and the initiative requests are in line with the objectives of the strategic plan, it may be open to these funding requests.

12. Improve budget development and reporting.

Among managers and employees we spoke with, the budgeting process was consistently mentioned as a source of frustration and confusion. It should be reviewed and overhauled.

The budget process reinforces poor management practices.

The University's budget development process can be characterized as top-down and, in large part, based on the previous year's spending levels. This process works to reinforce poor management practices throughout the University. For example, departments attempt to spend all budgeted dollars so that their base for next year's budget will not be reduced. It also reinforces the notion that there are hidden pools of cash that can be called upon in a budget crunch. Finally, it reinforces the perception that budgets are increased and reduced, not in reference to strategic priorities, but by the esteem in which a department's manager is held.

The budget process is neither deliberately secretive nor open and inclusive. It is mostly a communication process among managers with senior managers communicating available resources and mid and low-level managers communicating how the resources will be spent. This is a pattern followed by most organizations, however, it can lead to a lack of understanding and mistrust between labor and management.

Budgets should be developed systematically.

Rather than using last year's spending as a base, departments should justify their budgets by the services they perform and the services relationship to the strategic plan. The University should enforce a standard budget which, at a minimum, includes payroll, benefits and other expenses. Non-revenue-generating departments should generate allocation charges based on a relevant statistic.

Non-revenue-generating departments should be allocated as overhead to revenue generating departments.

Non-revenue-generating departments exist to support revenue generating departments. All costs of maintaining these departments such as payroll, benefits, supplies and training should be allocated to their internal customers. Chargeback rates should be developed based on relevant, objective and measurable statistics, such as help desk calls for allocating help desk costs, credit hours for allocating costs of registration or financial aid, number of paychecks for allocating payroll department costs, or number of students for allocating general accounting costs. Chargebacks should be allocated to other departments on the basis of their contribution to the statistic. For example, more of the help desk costs should be allocated to departments that make more calls to the help desk; more registration or financial aid costs should be charged to departments that have more students

registered in its classes; more payroll costs should be charged to departments with more employees.

Some non-revenue-generating departments are served by other non-revenue generating departments. Examples are Records and Registration or the Bursar which are served by Computing and Information Systems. In these cases, a cost allocation step-down should be performed. The department originating the charge should allocate it to other departments served regardless of whether they are revenue generating on the basis of the originating department's relevant allocation statistic. Non-revenue-generating departments receiving allocated charges should consider them in allocating to other departments it serves on the basis of the relevant allocation statistic. Reverse allocations should be avoided since the costs of administering such a allocation plan usually far outweigh any potential benefit derived from them. Departments that receive an allocation charge should critically review and evaluate it based on the level of service received.

Revenue should follow the revenue generator.

The revenue generator can be a student so revenue can be allocated to departments in which a student has registered for classes. The revenue generator can be a faculty member in the case of a grant in which case the revenue be allocated to fund specific to accounting for that grant. Special program

revenue, like grants, should be allocated to a fund set aside for that program.

Revenue generating departments should be evaluated on ability to manage bottom line.

Revenue generating departments should budget both revenue and costs, including allocated costs, and be held accountable for managing both costs and revenue. Departments should be rewarded for effective budget management by allowing some or all budget savings to be carried over from year to year in anticipation of a major expenditure aligned with the strategic plan. Budget savings accruing to the University can be used to institute a bonus or incentive payment plan to reward exceptional employee performance.

All budgets should be developed in an open environment. Developing a budget is an important communication process among managers and between management and labor. Reviewing resources, both human and financial, as part of the budgeting process will dispel rumors that there are hidden pools of cash or that one manager is favored over another.

All budgets should be integrated. Tuition and fees, State subsidy, grant, fundraising payroll, operating expenses, capital expenses, and cash flow budgets are interrelated and should be budgeted in concert.

The integrated, University-wide budget should be the basis for reporting and accountability to the Board of Trustees and the community.

The budget process is a point of significant leverage to the University in seeking to initiate positive change in organizational planning, departmental management and labor relations.

13. Provide Board of Trustees, executives and managers with a management “dashboard” to assess current organizational conditions and progress toward meeting goals.

When driving, the vehicle operator relies on certain indicators to assure her that she is driving safely and that her vehicle is performing efficiently. These indicators are conveniently located on the vehicle’s dashboard.

Organizations need a similar “dashboard” when assessing its current conditions and progress. Organizational indicators are needed to assess the organization’s health and progress toward meeting its goals. These indicators need to be highly visible to the manager who monitors them just like the gauges on a vehicle’s dashboard. The indicators need to be continually updated.

A system of identifying, collecting and reporting important management information at the appropriate level of detail should be developed and implemented by the University.

Different organizational levels need different dashboards. For example, the Board of Trustees may wish to know about progress toward meeting enrollment, grant or fundraising projections. They may wish to know about significant changes to

budgets or the status of faculty recruiting efforts. They may not wish their dashboard to include whether or not Housing Services is within budget this month or the number of meals served by the food service contractor.

Dr. Sweet may desire additional indicators on his dashboard. For example, he may wish to know the number of applications received, student transfers in, or classes added or dropped each week. He may want to know the number and amount of grant awards received, the number of students withdrawing from the University, or campus crimes reported. He may not care to include on his dashboard the occupancy percentage of meeting rooms at Kilcawley Center or number of help desk calls. These more detailed examples may be perfectly relevant and desirable for the dashboards of the managers responsible for that particular area.

Dashboards should serve as a tool of self-assessment and an instrument of accountability to the goals and objectives of the budget and strategic plan.

14. Reduce student housing subsidy.

Since 1989, YSU's general fund has subsidized over \$6 million in housing services financing costs.

Housing Services operates five attractive residence halls which offer current technology and modern conveniences to resident students. Two halls, Lyden and Cafaro, are among the nicest residence halls on any campus. However, construction of Lyden and Cafaro was expensive and cannot be recouped from room charges, resulting in a significant subsidy of Housing Services by the General fund. In fact, since 1989, YSU's General fund has subsidized over \$6 million in debt service costs associated with constructing Lyden and Cafaro.

Housing Services management should develop a construction and financing plan that meets the projected need for campus housing and recovers the full cost of building and maintaining new and existing properties. Campus residence halls are at full occupancy. Additional campus housing may result in increased enrollment and be warranted. A primary goal of this management plan should be the reduction and eventual elimination of the General fund subsidy to Housing Services.

The management plan developed by Housing Services should consider a mix of financing alternatives such as use of reserves for construction, more cost-effective new construction, fundraising, and increased room rates.

The latter alternative should be carefully implemented and consider the net marginal revenue impact, that is, the likelihood that increasing room rates could result in additional withdrawals.

15. Expand student employment.

A four year degree provides life experience through the discipline needed to succeed in course work, through the relationships forged with classmates, and through the exposure to different thought. Another important aspect of student life is the opportunity to gain work experience through student employment.

Student employment also benefits universities. Student employees allow universities to maximize professional, administrative and clerical staff resources. Increasing student employment can also benefit University retention by providing an income to the student thus making higher education more affordable and dropping out due to financial concerns less likely. Finally, since the minority population in the Mahoning Valley is more likely to view the cost of higher education as a barrier to attending college, providing employment to students will be an effective strategy for increasing student diversity.

We recommend the University expand its employment of students.

YSU underutilizes its students as a source of labor. Considering only student employment paid by University operating funds (i.e., factoring out graduate assistants and student employed under work-study programs), YSU employs approximately 7.5% of its

Cleveland State University employs 18.7%, and Bowling Green State University employs 21.8% of their students to YSU's 7.5%.

student body while Cleveland State University employs 18.7% , and Bowling Green State University employs 21.8% of their student bodies.

All colleges and universities employ students. As employees, students are attractive because:

- They are inexpensive and flexible.
- They are motivated to learn job skills.
- Their employment accomplishes institutional goals of preparing students for the workplace.

In fact, many institutions rely on student employees to fill high-demand positions, especially in technical fields, because the institution cannot afford market prices for full-time employees.

16. Consolidate underutilized space. Reallocate underutilized classroom space to critical areas. Close down empty buildings.

Classrooms are under utilized by YSU.

University-wide classroom utilization is below 40%. Large classroom (over 100 student capacity) utilization is better at 69%, while other classroom utilization is 39%. ***Lab utilization rate is only 15%.*** We defined utilization as the number of one hour periods a classroom was in use divided by 40 hours in a week. This is a very conservative estimate of utilization and, if we were to include evening and weekend hours in our calculation, utilization rates would be even lower.

The University should refrain from engaging in classroom building projects until enrollment returns to levels experienced in the early 1990's.

Low utilization is a consequence of declining enrollment and expanding classroom capacity. Fall enrollment has declined 22% since 1991. Yet, since that time, Beeghly Hall was built and Bliss Hall was expanded adding over 100,000 square feet of academic space.

The University should implement an automated scheduling system. Classroom allocation practices are antiquated and should be updated. Currently, rooms are assigned using a manual system by a

single person. Several individuals should be trained on the operation of the scheduling system.

The University should end the current practice of reserving classrooms for particular departments or classes. This practice has contributed to the underutilization of classrooms by placing certain classrooms off-limits to other colleges, departments or classes that may find the space useable.

The University should consider alternative uses for vacant classroom space created by more efficient scheduling and consolidation. By not increasing the inventory of classrooms, and replacing antiquated and inefficient scheduling practices, YSU will increase its classroom utilization, and may find that one or more buildings in operation today are not needed and will not be needed until enrollment approaches the levels of the early 90's. Alternative uses for buildings should be considered. For example, retrofitting an underutilized building for additional student housing may be a more cost-effective and immediate way to increase student housing than new construction would be.

As a final alternative, closing down, or mothballing, these buildings would significantly reduce the costs associated with maintaining them including utilities, security, and maintenance.

17. Change the perception of YSU in the minds of Mahoning Valley residents.

“I had seven [college] choices. I procrastinated. It ended up being YSU.”

Jambar Student Profile

A recent student profile in *The Jambar* states the point eloquently. The student was asked why she chose YSU. She replied, “I had seven [college] choices. I procrastinated. It ended up being YSU.” This, in a nutshell, is the image problem YSU faces – and this student actually attends the University!

YSU must change the perception, held by many in the Mahoning Valley, that it is not a desirable place at which to earn a degree.

That YSU should concern itself with these perceptions is clear. Today, University recruiters are not encouraged by some area school districts to recruit among their students.

YSU must work hard to overcome its current image and its efforts must persist over a long period. YSU must engage not just the Mahoning Valley community but the broader community of northeast Ohio and beyond. At times, the local population is the last to recognize the change and dynamic nature of a local institution.

Among the initiatives YSU should consider are:

- Establish and implement a change

The Dana School of Music is one of the oldest in the country.

- management program for all faculty and staff to develop an outwardly-focused organization.
- Establish a comprehensive public relations program.
 - Increase faculty research.
 - Participate and listen in community forums.
 - Assess community needs in an organized fashion and develop programs that respond to them. Examples of this can be found in the Cisco Academy and Microsoft Certification programs.
 - Aggressively market nationally recognized programs. For example, its Dana School of Music is one of the oldest music schools in the country and produces many alumni who perform with major symphonies and orchestras throughout the world. Its Williamson College of Business Administration's programs received accreditation by the International Association for Management Education. This accreditation is the highest that can be achieved by a business school and YSU shares it with institutions such as Harvard, Columbia, Northwestern, and Ohio State.

The establishment and implementation of these and other initiatives should be included as part of the University's strategic plan. The plan should establish time lines for their accomplishment and individual managers should be held accountable for their achievement.

18. Accurately describe what employees do and compensate them accordingly.

The University should revise its system of classifying employees. YSU uses the State of Ohio classification system for classifying and compensating its employees. The State classification system is old, overly segmented, and, according to the State of Ohio, Management Improvement Commission 2000, in its *Report to the Governor*, dated November 2000, should be revised. As a result of using this system, YSU finds that its job descriptions do not match the work that people do or should do, and it is forced to use overly broad classifications such as administrative assistant for employees whose job functions are not contained in the State classification system. Some professional and administrative staff do not have job descriptions.

Other Ohio Universities have developed classification systems specific to their operations. YSU should leverage that work to its benefit. Some of the classification work could be accomplished by internal resources under the direction and with the assistance and review of an outside consulting firm in order to keep costs reasonable. For example, gathering data and assuring its completeness and accuracy before providing it to a consulting firm could help reduce the costs of such a review.

The University should use the new classification system to survey market wages for comparable positions. Another shortcoming of assigning people to out of date classifications is the difficulty in paying them market wages. For example, if a person's job requires them to prepare ad hoc reports from the Custom Model 204 database using a report generator and their job classification does not mention that particular skill, that employee's compensation may not be equivalent to others who do similar work. A market wage survey keyed to an appropriately descriptive classification will assure the employee and the University that the employee is being compensated equitably for the skills required for the job.

The University should use its updated job descriptions as a basis for evaluating job performance. The evaluation dimensions of the performance evaluation should be aligned with the job description. Specific behaviors should be associated with levels of performance ranging from below basic to advanced levels of performance. ***Performance evaluations should be the basis of individual performance awards possibly funded from budget savings.***

19. Update policies and procedures. Develop and implement a comprehensive employee training program.

Effective employee training is necessary for process improvement and customer support. We noted training needs in Undergraduate Recruitment and Admissions, Financial Aid, and Registration and Records. Each of these departments has extensive student-customer contact. The effectiveness of customer service personnel has an immediate and direct impact on the prospective student and parent perceptions about YSU.

The University should conduct a comprehensive evaluation of current policies and procedures.

Policies should be consistent with the vision and mission of the University. Procedures should be at a level of detail sufficient to serve as a training aid and a resource to employees in the conduct of their jobs.

The evaluation and revision of current procedures should be linked to the revision of the classification system so that job descriptions and performance evaluations are linked to required procedures.

The University should conduct a training needs analysis. Human resources should coordinate the needs analysis by examining gaps between knowledge and skills exhibited and required.

The University should develop and implement a

training program linked to knowledge and skill gaps. Training should be relevant and timely. Relevance of training is determined by how directly it is linked to required job performance. For example, training on use of the registration system is relevant to registration employees but probably not relevant to bookstore employees. Training should be delivered just before an employee needs to use it. For example, financial aid employees should receive training on existing, new and modified programs just prior to the beginning of the financial aid application cycle.

The training curriculum should be coordinated by human resources with development and delivery support from the organizational units. Training related to specific job skills should be developed and delivered by practitioners of those skills. Other training may be developed by human resources or purchased. Since teaching is a core competency of the University, it should not have to look far for expertise in most training areas.

The training curriculum should include required and voluntary programs. Required programs reinforce basic skill requirements while voluntary programs offer employees the opportunity to develop specific expertise.

The majority of training should be developed and delivered by YSU employees. Training

development by employees assures relevancy and reinforces and expands the developer's knowledge. Employee-developed training is also effective in keeping the costs of an extensive training program affordable. The employee-developed training program should be supplemented with training developed by non-employees when appropriate. For example, the University may wish to utilize programs developed by non-employee experts in customer service programs or diversity.

Training should be provided to employees continually over their careers. Training programs should be developed to accommodate varying levels of knowledge such as introductory, intermediate, advanced, remedial and update. Ongoing training programs are effective in improving employee knowledge and assisting employees in career progression. For example, employees who take on supervisory or management responsibilities should be provided with training on basic management as part of the transition to their new duties.

The training curriculum should be evaluated regularly and updated when necessary. Certain fields of knowledge are more dynamic than others. For example, financial aid program requirements may change from year to year, while the basic requirements of providing good customer service do not vary. Training programs should be regularly evaluated and revised.

20. Implement recommendations of previous program reviews.

The University has not taken action on many of these recommendations.

Over the past year, three separate program reviews were conducted and recommendations presented to the University. They identified needs in these critical departments:

- The Office of Financial Aid and Scholarships (March 6, 2000),
- The Office of Registration and Records (July 12, 2000), and
- The Office of Undergraduate Recruitment and Admission (October 6, 2000).

These program reviews presented hundreds of recommended actions. The University has not taken action on many of these recommendations, such as:

- Conduct individual goal setting sessions with staff, and regularly review individual progress toward meeting goals.
- Conduct upward evaluations of supervisors.
- Create a team of student Peer Counselors to assist financial aid staff.
- Explore participation in the U.S. Department of Education Quality Assurance Program.
- Survey students and their parents on the usefulness of application materials.
- Provide attractive, welcoming signage on approaches to campus and the campus itself.

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- Design and publish Uniform Transfer Guides that clearly list all transferable courses at two-year colleges with their University equivalencies.
 - Undertake market research to determine why transfer students did not enroll. Incorporate feedback into future marketing initiatives.
 - Coordinate pre-college enrichment programs to grow enrollment locally.
 - Develop an on-line wait list system, including option to automatically fill slots as other students drop.
 - Obtain staff input in making policy and business decisions.
 - Establish course schedule up to a year in advance.

These recommendations mirror many of our own. They have been on the table for up to a year and corrective action plans have not been developed or accomplished. The wisdom of these recommendations is not challenged. The University should begin incorporating these recommendations into its operations immediately, and include them as part of its strategic planning process.

Major Commendations

1. ***Enrollment Management Access System (EMAS)***

The Office of Undergraduate Recruitment and Admissions uses the Enrollment Management Access System (EMAS) to store student information. A file is created in the EMAS system for all prospective students. A student's file in the EMAS system contains personal information (name, address, social security number) as well as University-related information such as the degree and major they plan to obtain, residency coding and the high school they attend or attended. EMAS also contains a contact file for every student. Each time the staff communicates with a student, whether through e-mail, telephone, high school visit or letter, the communication is documented in the EMAS system.

Reviewers, who performed a program review of the Office of Undergraduate Recruitment and Admissions, commented "YSU is fortunate to have the EMAS system, a state-of-the-art system for communication management."

Utilization of EMAS has allowed the Office of Undergraduate Recruitment and Admissions to keep track of students during all stages of the application process and has increased efficiency of operations in the office.

2. Bookstore Set-Asides

In 1973, Youngstown State University's Budget Committee adopted a recommendation presented to it concerning the establishment of set aside funds. The funds created from this recommendation were a Bookstore Operating Contingency fund and a Bookstore Equipment fund. These funds are under the control of the Bookstore, and their use is restricted to specific purposes. The Bookstore Operating Contingency fund was created to balance the budget in the case of a down year or in the case of unanticipated budgetary problems. The Equipment fund was created to provide funds for the maintenance, repair and replacement of bookstore facilities over an extended period of time. The Bookstore Operating Contingency fund is maintained at 5% of Bookstore's operating budget each year. After year end, any unencumbered money in the Bookstore fund is put into the Equipment fund. As of June 30, 2000, the Bookstore Operating Contingency fund reflected a balance of \$92,000, and the Equipment fund reflected a balance of \$365,407.

According to NACUBO National Association of College and University Business Officers, 5th edition, to provide adequate service, auxiliary enterprises should have a solid financial base that includes sufficient reserves. Because of bond indentures, auxiliary enterprises are often required to establish

fund reserves for the replacement of equipment, repair of buildings and other needs. Even if such reserves are not required, good business practices indicate that they should be established.

By establishing reserves, the University has resources available to it to address both budgetary downturns in Bookstore operations as well as maintenance, repair and replacement of Bookstore facilities.

3. Housing Set-Asides

In 1973, Youngstown State University's Budget Committee adopted a recommendation presented to it concerning the establishment of set aside funds. The funds created from this recommendation were a Housing Services Operating Contingency fund and a Residence Hall Improvement fund. These funds are under the control of Housing Services, and their uses are restricted to specific purposes. The Housing Services Operating Contingency fund was created to balance the budget in the case of a down year or in the case of unanticipated budgetary problems. The Residence Hall Improvements fund was created to provide funds for the maintenance, repair and replacement of housing facilities over an extended period of time. The Housing Services Operating Contingency fund is maintained at 5% of Housing's operating budget each year. After year end, any unencumbered money in the Housing Services fund is put into the Residence Hall Improvements fund. As of June 30, 2000, the Housing Services Operating Contingency fund reflected a balance of \$300,000, and the Residence Hall Improvements fund reflected a balance of \$702,733.

According to NACUBO, National Association of College and University Business Officers, 5th edition, to provide adequate service, auxiliary enterprises should have a solid financial base that includes

sufficient resources. Because of bond indentures, auxiliary enterprises are often required to establish fund reserves for the replacement of equipment, repair of buildings and other needs. Even if such reserves are not required, good business practices indicate that they should be established.

By establishing reserves, the University has resources available to it to address both budgetary downturns in Housing operations as well as maintenance, repair and replacement of Housing Services facilities.

4. Student Housing

Youngstown State University has five residential halls which are Kilcawley, Lyden, Cafaro, Wick and Weller House. All residential halls are recently built or renovated, and offer telephones with voicemail access, cable TV and internet hookups in each room. All of the residential halls are air-conditioned.

The quality of housing often is an important factor in prospective students' decisions on enrollment.

The housing on campus is in demand and may attract students to YSU.

5. Information Infrastructure

YSU invested heavily in building a network information infrastructure expected to serve its on-campus information transmission needs well into the future. The backbone of this infrastructure consists of fiber optic cabling that links all classrooms, offices, and dormitories and most other campus buildings to the network. Fiber optic connections are extended to the wall outlets and can be used with appropriately equipped fiber optic network cards to send or receive large files at great speeds. For example, the current cabling and switching equipment is capable of broadcasting high-resolution digital video around campus. The network is also capable of handling voice communications and may eventually supplant the need for a separate copper-wire based telephone network.

The network infrastructure takes into account the present and future needs of all those on campus. The cabling plant should remain functional for many years even after equipment attached to it becomes obsolete.

As result of YSU's investment in its network infrastructure, faculty, staff and students have a high-speed and highly-capable connection among all faculty, staff and students on campus. This infrastructure should serve the information transfer needs of the University for many years.

Additional Recommendations and Commendations

Customer Services

*Undergraduate
Recruitment and
Admissions*

Recommendations

- 1 One-Stop Student Services. ***The student administrative services processes are too time consuming and should be drastically simplified.*** Financial aid, admissions, registration, records, and accounts receivable (Bursar) employees are spread among three different buildings on campus. New and returning students cannot accomplish all business in one place. ***The University should redesign its recruiting, admitting and enrolling processes with the following design goals:***
 - ***Focusing on the student-customer***
 - ***Reducing cycle time between service request and fulfillment***
 - ***Increasing use of technology***
 - ***Establishing a single point of contact for each student***
- 2 Welcome Center. ***The University should create a Welcome Center as a focal point for welcoming and orienting prospective students, alumni, and visitors to campus.*** The Center should present a

positive image of YSU and contain individual and group meeting areas equipped with the latest technology enabling YSU to project a powerful message about its values and educational capacity to its student-customers. The Welcome Center should serve as a potent recruiting tool. The current renovation/expansion of Dana Hall is dedicated for a visitors center. With its facility in place, the University should focus on developing an effective program to welcome large numbers of students in its Center. Should the space of Dana Hall not be sufficient to process large numbers of graduating high school seniors, the University may consider utilizing its excess classroom capacity to provide for a Welcome Center facility.

Commendation

- 3 Counselor Day. ***We commend the University on its Counselor Day program and encourage its further development and expansion.*** Each year, the University's Office of Undergraduate Recruitment and Admissions invites counselors from the area to participate in a day long program consisting of speakers from different colleges and departments of the University on topics such as program requirements, application process and future of the University.

Counselors we spoke to commented that YSU's

Counselor Day was among the best they attend. It projects a positive image of the University and begins to change perceptions about YSU among this key referral group. Continued emphasis of this well-regarded program should result in increasing enrollment.

Bookstore

Recommendation

- 4 Auxiliary Charge. ***The University should annually justify its auxiliary charge to the Bookstore and the wider campus community.*** The University charges the Bookstore 10% of the Bookstore's operating budget without disclosing how the amount was determined or how the charge will be used. The National Association of College and University Business Officers (NACUBO) recognizes that an auxiliary fund may be charged for its share of overhead (indirect costs) and an additional small amount to fund other initiatives, but that those charges should be justified and reported to the wider campus community. The auxiliary charge started out at 4% in 1997 and is now at 10%. In FY 2000 the charge amounted to \$305,273.

- 5 Pete and Penny stores. ***The Pete and Penny stores have consistently generated losses with limited public relations benefit and should be closed.*** The stores, which sell YSU-branded merchandise,

are located in low-traffic areas of local malls. In FY 2000, the combined operating loss was \$38,548. The loss would have been greater if the University allocated rent and all direct labor costs to the stores.

The University should negotiate with established retail operations in high-traffic areas to expand the presence of its branded merchandise. Rather than funding and managing a full-scale retail operation, the University could negotiate with high traffic area retailers to display YSU merchandise and achieve higher visibility, more manageable costs, a closer relationship with the retail sector of the business community.

Commendations

- 6 Web page. ***We commend the Bookstore for providing innovative service to its student-customers and others through its interactive web-site and suggest it be maintained and expanded when possible.*** The Bookstore implemented and maintains an in-house, nationally recognized web site. The site allows access from the internet for students, alumni and others to purchase text books, supplies, YSU-branded merchandise, and other items.

- 7 Orientation Program and Training Manuals. ***We commend the Bookstore on its implementation of***

an employee orientation program and development and use of an employee training manual and suggest that it be further developed and maintained. Training and development programs increase employee and customer satisfaction. Employee satisfaction leads to less turnover and more knowledgeable staff, and customer satisfaction leads to greater sales and less inventory shrinkage.

Financial Aid

Recommendations

- 8 System development. Student satisfaction with financial aid administrative processes is low, and improving it will have a positive impact on student enrollment, retention and perceptions of YSU. Some financial aid processes are manual. For example, workers are required to manually scan large reports to identify exceptions requiring further processing. The problems should be addressed immediately with an allocation of analyst and programmer resources. ***The University should devote sufficient systems analyst and programmer resources to fix problems that exist today with its financial aid computer programs.***

In the long run, the University is best served by integrating its financial aid application, verification, and administration processes within a larger suite of administrative applications. ***The University should***

investigate the replacement of these programs as part of an integrated ERP system.

- 9 Front Counter Service. Students' dissatisfaction with financial aid stems, in part, from and is reinforced by poorly trained and supervised front counter employees.

The front counter personnel should receive extensive technical and customer service training and establish a goal of satisfying 100% of students' needs on their initial visit.

Better trained and supervised front counter employees will help decrease student frustration, potentially resulting in improved enrollment, retention, and students' perceptions of YSU. Effective employee training and supervision may also improve employee morale and attendance during periods of peak activity.

- 10 Document Imaging System. Student financial aid records are stored as paper records in boxes and file cabinets in the financial aid area making historical research time consuming and contributing to student dissatisfaction with the Office of Financial Aid and Scholarships.

The University should invest in a high-volume document storage and retrieval system

appropriately indexed to allow for fast, on-line research of historical financial aid documents. This information should be immediately available to front counter personnel and financial aid counselors whenever needed to answer students' financial aid questions. This system could also be utilized by other departments to store and index archival documents and those documents which cannot be submitted and routed electronically.

11 Scheduling software for financial aid counselors.

Students wait too long for front counter personnel to schedule meetings for them with financial aid counselors. This wait is a source of student dissatisfaction with the Office of Financial Aid and Scholarships.

In order for front counter personnel to schedule a meeting for a student with a financial aid counselor, they must refer to counselors' schedules. Each counselor's schedule is maintained on a paper calendar. To obtain an appointment convenient for the student, front counter personnel must often find and refer to many calendars.

We recommend the University invest in a system to maintain financial aid counselors' schedules on-line and provide for sharing of them among all front counter personnel.

*Housing Services***Recommendations**

- 12 Auxiliary Charge. ***The University should annually justify its auxiliary charge to Housing Services and the wider campus community.*** The University charges Housing Services 10% of its operating budget without disclosing how the amount was determined or how the charge will be used. The National Association of College and University Business Officers (NACUBO) recognizes that an auxiliary fund may be charged for its share of overhead (indirect costs) and an additional small amount to fund other initiatives, but that those charges should be justified and reported to the wider campus community. The auxiliary charge started out at 4% in 1998 and is now at 10%. In FY 2000, the auxiliary charge amounted to \$120,428.

Commendation

- 13 Training Manual. ***We commend Housing Services on its development and implementation of a training manual which is given to each new employee and suggest that it be maintained and incorporated into a formal orientation program.*** The training manual emphasizes the attitude, quality, professionalism, and confidentiality in the performance expected from each employee. Oriented, well-trained employees are more satisfied

with their jobs, less likely to leave and more likely to achieve customer satisfaction in the performance of their work.

*Registration and
Records*

Recommendations

14 All-in-One Card. ***The University should invest in a comprehensive all-in-one campus card system.***

These cards serve as the student's identification card, room key, meal plan card, library card and can be used to make purchases from campus vending machines and the Bookstore. The card can be used to pay library and parking fines. The card should allow the University and the students or their parents to "load value" or pre-pay for goods or services. Lines of credit from area banks can be linked to the card, providing the student with more purchasing power.

The University should enter into partnerships with area merchants who may be motivated to help finance program implementation by benefits such an association would bring to them such as new customers, the ability to test new technologies, and prestige of association with the University. This would be an excellent way for the community to support the University. The card can stay with a student upon graduation and become a means to access alumni benefits, such as merchant or

bookstore discounts.

- 15 Separation of Offices. ***The University should organize around processes designed to meet customer needs.*** The Registration and Records departments provide an example of two departments which need to work together closely, but which are housed in different offices. ***We recommend these two departments and their staffs be combined and that within the combined department, teams of employees with records and registration knowledge be formed around meeting student-customer needs.***
- 16 Document Imaging System. Responding to transcript requests often involves a search through boxes and file cabinets of paper records. As a result, responding to these requests is time-consuming. The Records department has a eight year backlog of paper records waiting to be microfilmed. Optical storage technology advances and declining storage costs are quickly making microfilming an obsolete technology. ***We recommend the University invest in optical imaging and storage technology to archive paper documents and make them available on-line to personnel who need them,*** for example, Registrar staff for transcript requests.

Employment**Recommendations**

- 17 Human Resource Management System. YSU does not have a human resource management system and cannot effectively manage 2,800 employees without one. For example, employee demographic information must be entered twice -- once in HR and once in payroll. Duplicate entry of this sort usually results in the two databases getting out of synch. Some data is accumulated and reported manually or not at all. For example, currently applicant information and employee training and disciplinary activity is tracked and reported manually. ***The university should purchase and implement a human resources management system (HRMS) integrated with payroll.***
- 18 Health Care Payments. YSU offers its full-time employees a choice of a fully-insured and self-insured health insurance plans. There is no share of the premium cost paid by the employees. ***The university should continue to offer a choice of plans, but should structure the benefit program so that the least costly plan be made available to employees at no premium cost. The more expensive plans would be available, but the employees would pay the difference between the lower and higher cost plan.*** If the 174 employees under the Anthem plan at YSU switched to the less expensive self-funded plan, or paid the cost difference, YSU could potentially

save approximately \$213,000 annually in premium costs. This savings estimate is based on the current insurance cost of the Anthem plan as compared to the budgeted costs for the self-funded plan.

Facilities

Recommendations

- 19 Preventive Maintenance. ***The Facilities Maintenance Department should enhance its planned preventive maintenance program.*** YSU puts the benefit of its attractive urban campus at risk by not having an organized system of preventive maintenance. Preventive maintenance program is performed at the direction of Supervisors in the Facilities Maintenance Department and is predicated on their knowledge and experience. A currently installed work order system for repairs does not have the capacity to schedule and track preventive maintenance. A preventive maintenance program would aid in the scheduling and supervision of the Facilities Maintenance Department employees and tracking and predicting preventive maintenance costs, and likely improve the productivity of the maintenance staff.
- 20 Police. ***The University should reassign Housing Services administrative duties from police officers to resident students or Housing Services staff.*** The University assigns campus police to

residence hall duty between midnight and 5 a.m. In addition to securing the safety of dormitory residents, officers are expected to perform residence hall administrative duties such as distribute mail, answer telephones, check identification of guests, counsel homesick students and complete reports to the Housing Services Office. By reassigning administrative duties, the attention of police officers can be more extensively focused on protecting people and property. ***We estimate that such a reassignment could save the University between one and two 5-hour police officer shifts per night saving the University approximately \$51,400 annually. These savings would be offset by the cost of staffing residence hall desks with less expensive resident students or Housing Services staff.***

Commendation

- 21 Crime Statistics. YSU has significantly lower crime statistics than the comparable state universities. The low occurrence of criminal activity may be affected by many different circumstances. However, the YSU Police Department efforts in response, investigation, prosecution and prevention of crime is certainly a positive factor in the reported crime statistics.

Fiscal*Accounts Payable***Recommendation**

- 22 Open Accounts Payable. The University does not maintain or generate an open accounts payable listing. The lack of such a listing potentially impacts cash management decisions, vendor relations, and timely processing/payment of invoices. The ***University should enter known liabilities within the open aged accounts payable system as the goods and services received are matched with corresponding purchase orders and vendor invoices.***

*Bursar***Recommendation**

- 23 Bursar Information System. ***Bursar information system redesign should focus, in the short-term, on its integration with the Advantage financial system and provision of reports sufficient for receivable management. In the long term, it should be replaced with an industry standard ERP solution.*** Recently developed portions of the Bursar system were ineffective, did not meet the needs of its users and has resulted in an ongoing redesign project. For example, the redesigned system is not integrated with the financial accounting system. When originally implemented, the Bursar system did not provide a standard accounts receivable aging

report.

Users of the Bursar system and University programming staff did not reach clear understanding of the information that the Bursar system should capture and report. This communication breakdown between users and programmers is a risk in any system development cycle, but the effects can be particularly pronounced with systems developed in-house as opposed to a purchased ERP solution. In the long run, the Bursar system should be part of a purchased ERP request for solution.

- 24 Collections. ***The University should take more aggressive steps in monitoring and pursuing past due accounts.*** In fiscal year 2000, the University wrote off as uncollectible over \$250,000 in student receivables. At June 30, 2000, the University estimated that collection was doubtful on an additional \$900,000 in student receivables. During 2000, the University placed nearly 800 accounts with collection agencies totaling more than \$570,000.

The University's current collection efforts begin seven months after there has been no activity on a student account. Earlier contact with student-debtor and other actions such as withholding registration services for subsequent semesters would be beneficial in collecting tuition and fees. These collection efforts should result in an increase in cash flow, fewer

accounts placed with collection and less fees paid to collection agencies.

- 25 Refund module in Bursar system. ***The University should immediately upgrade the Bursar system refund module to produce refund checks, due third parties, correctly.*** The current process for issuing a refund check due to a third party is labor intensive and poorly controlled, and presents a high risk of fraudulent activities in the refund cycle. The University processes over 20,000 refund checks per year. This represents over 40% of all checks produced in a given year. The University's Bursar system cannot produce a refund check payable to anyone other than the student. However, many refunds are due to third parties who have made payments on behalf of students such as grant or scholarship awarding entities, or banks. For refunds to these third parties to be processed, checks are produced payable to students and altered in the Accounts Payable Department to add the correct payee. This is a complicated and time consuming process, and one that circumvents sound internal controls.

General Accounting

Recommendation

- 26 Reserves. University departments that receive their funding from general fund allocations need better incentives to closely manage their budgets. We

discussed the incentive to spend in our recommendation on budgeting earlier in this report. At the end of a budget year, departments cannot carry over available, uncommitted funds to the subsequent year in order to build reserves for future large expenditures. For example, Computing and Information Services cannot reserve yearly budget savings for the purpose of defraying the cost of major expenditures like upgrading their mainframe computer or expanding internet bandwidth. Rather budget savings are returned to the University and may be used as *de facto* evidence that a lower budget is required than previously granted.

The University should establish a budget savings program in which it would authorize reserving budget savings for specific purchases or initiatives which are consistent with its strategic plan. It should also reevaluate its established reserves to determine if their purposes are aligned with its current priorities and goals and sufficient to meet the University's current or expected future needs. Additionally, funding procedures for these or any new reserves should be established and adhered to within the context of the University's overall budgeting process.

*Grants Management***Recommendation**

- 27 Grant approval. Current policies and procedures established for grant preparation are not consistently followed. For example, approval for waiving indirect costs within a grant proposal and the identification of required matching amounts for a grant are not always identified or noted on the University's control sheet ("blue sheet"). Matching requirements for those grants which require them are also noted on the blue sheets.

The University should not allow or process grants which have not received the required approvals demonstrating acknowledgment and understanding of the financial and non-financial impacts on the University.

*Investments***Recommendation**

- 28 Increase return on investments. The University's operating cash balances represent an opportunity to increase investment returns. The University's investment policy has been to protect principal and maintain liquidity. They invest primarily in U.S. Government obligations with maturities of 180 to 270 days and are earning between 5% and 6%. This policy limits investment income. ***The University should evaluate additional investment***

opportunities and consider lengthening the average maturity of its portfolio which would increase investment returns with little additional risk. During FY 2000, the University's cash and investment pool did not fall below \$20 million. **With a base of \$20 million, a one-half percent increase over the current return would generate \$100,000 of additional investment income annually.** In order to accomplish this increase, the University will need to project its cash management requirements on a longer term basis as well as evaluate current and future rates and overall economic conditions.

*Budget***Recommendations**

- 29 Unbudgeted commitments. At the beginning of fiscal year 2001, the University's budget did not reflect approximately \$1.6 million of commitments. Upon discovery, these commitments were included in the budget. In the past, commitments have been made for various items without consulting the Budget Department to ensure funds are available for commitment. **Unless an emergency or unforeseen circumstance arises, commitments should not be made unless budgeted. In the case of emergencies or new circumstances, communication through all levels is essential in identifying and segregating the proposed funding source.**

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- 30 Procedures for budget modification. The University does not communicate budget modifications to the affected departments as a matter of standard procedure. A departmental budget is essential in determining how a department is to allocate and monitor its resources. ***Modifications to the University's budget should be developed with input of affected departments and reported back to them.***

Payroll

Recommendations

- 31 Standard input forms. ***The University should standardize its payroll input forms immediately and include payroll in a request for an integrated ERP solution.*** Currently, the Payroll Department receives several hundred different forms (or letters) during the year from various departments to help process payrolls for approximately 2,800 employees. These forms are used to enter and change demographic and payroll information, hire and terminate employees and use leave. Multiple forms leads to complexity which may introduce errors into the payroll system and slow down payroll processing.

In the long run, the University should include a payroll system, integrated with HR and general accounting, in a request for a purchased ERP solution.

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- 32 Direct deposit. Direct deposit of payroll is used by 41% of University employees. The State of Ohio estimates that it saves \$0.40 on each payroll transaction when an employee chooses direct deposit. Utilization of direct deposit reduces indirect payroll costs such as handling lost or stolen checks and allows the reallocation of employee time to higher priority payroll areas. ***The University should plan to double its employee's participation in direct deposit programs and achieve that goal within a year. Based upon a total employee count of 1,460, such a plan could save the University over \$6,000 annually.***
- 33 Leave Balance. The University currently tracks vacation and sick leave accruals and usage manually for approximately 1500 non-student employees. It accrued a liability for leave time owed, but not yet paid to employees of \$4.8 million in 2000. Employee vacation leave payoff amounts are calculated manually by the Payroll Department and sick leave payoff amounts are calculated manually by the Human Resources Department. Manual processing is time consuming and can introduce random errors into the process. ***The University should integrate its leave processing system with its payroll and human resources systems so that leave accruals earned and leave used are accumulated through the payroll system for all employees and leave payoff amounts are automatically calculated.***

Technology

*Strategy and
Organization*

Recommendation

- 34 Technology strategic plan. Currently, technology planning at Youngstown State reflects its decentralized model of technology management, multiple plans exist or have existed. Some plans have met with success, while others exist merely as archives of static past planning exercises. All technology plans, nominally in force at this time, exist in the absence of a formal, University-wide strategic plan. There is some coordination of planning efforts through an ad hoc group of managers with technology responsibilities, but their efforts are thwarted by a lack of formal organizational recognition. ***Youngstown State University should develop a comprehensive technology plan, linked to the University's strategic plan, developed under the leadership of the Chief Technology Officer, with input and feedback from the Information Technology Steering Committee.***

*Information
Infrastructure*

Recommendation

- 35 DASD Subsystem. ***We recommend the University double or triple its mainframe storage capacity by expanding or replacing its DASD subsystem.*** Mainframe storage capacity (the DASD subsystem or

the mainframes hard drives) has reached its maximum. Currently, the mainframe can support 182 gigabytes (GB). One gigabyte of storage is about enough to hold a single movie stored at a lower resolution. Two hundred GB is enough capacity to store electronically a single floor of academic journals. While this is a very large amount of data, the University processes much more data than that. Data storage trends point to the need for organizations to significantly upgrade their data storage capacities.

The lack of storage capacity has resulted in degraded mainframe application performance as the subsystem has to work harder to find available space and limited ability to expand mainframe applications. Mainframe components such as the DASD should have the capacity to support current and planned applications of the mainframe. ***We estimate the cost to upgrade the DASD subsystem to be \$300,000.***

Administrative

Computing

Recommendations

- 36 Internet Bandwidth. ***The University should consider significantly increasing the amount of internet bandwidth it leases.*** If the on-campus network architecture resembles an eight-lane superhighway, the University's connection to the outside world resembles a two lane road in

Manhattan at rush hour. Currently, the University maintains four T-1 lines for its internet access. The growing popularity of using the internet for research and pleasure has resulted in a restriction of bandwidth, at times so great, that one University employee described it as “sipping bananas through a straw.”

Students and prospective students have come to view internet access as basic requirement for a college. Some YSU students avoid campus-provided internet access in favor of purchasing a cable modem service at around \$40 per month. This has created an information security concern because these student purchased internet connections do not go through the University’s firewall, and malicious program code could be downloaded over the private internet connection and shared with the University network over the students University network connection. Lack of sufficient internet connections may help other students decide not to attend YSU.

The lease terms should stipulate a University option to increase and decrease bandwidth as internet traffic dictates. We estimate that increasing internet access by 50% will cost the University an additional \$35,000 annually, and increasing it by 100% will cost an additional \$52,000.

37 Standard Desktop Configuration. Currently, the University has approximately 2,850 desktop computers, 91% of which are Microsoft Windows based machines and 9% Apple Mac OS machines. There is little consistency in terms of hardware or software configuration. ***The University should standardize desktop computer configurations, by establishing a Computer Configuration Standards Guide. The guide would outline the approved computer models and standard software load along with any recommended or required features.*** By limiting the choices, the University will be able to reduce support costs, improve efficiency, minimize costs, increase computing power, and eliminate low-level support issues.

38 Desktop Leasing. Currently, the University purchases computers. While owning the computers provides some flexibility in their deployment, it also results in a mix of older and new technology on campus. This increased complexity can be more expensive to maintain as Help Desk and Electronic Maintenance personnel must support multiple configurations. Further, the rapid advances in technology have reduced the useful lives of end-user systems to two to three years and continually reduce the costs.

The University should consider leasing its end-user systems as an alternative to purchases.

The leases can be constructed as either capital or

operating leases. Among the benefits of leasing would be regularly upgraded technology and reduced maintenance costs. The National Association of College and University Business Officers has noted that leasing has become an increasingly attractive alternative among its membership.

Commendation

- 39 Help Desk Software. ***We commend the Computing and Information Services Department for its innovative use of Help Desk software and its development of a mission statement.*** The University's Help Desk has implemented a help desk tracking software which tracks the number and types of calls received and the numbers that result in work orders. This software also helps determine the appropriate corrective action. The Help Desk's website is designed to educate and deliver services to the Youngstown State University Community. The website provides easy customer access to the Computer Services Department's instructional documents and software. The Help Desk created its own departmental mission statement which is to provide courteous and helpful problem management for computer technology related problems. The Help Desk is setting an example for other departments to follow by supporting their mission statement with help desk tracking software and a user-friendly website.

*Academic Computing***Commendations**

- 40 Center for Teaching and Learning Technology. **We commend the University for its innovative initiative to utilize technology to enhance its teaching mission as embodied in its Center for Teaching and Learning Technology (CTLT).** Currently, the CTLT has provided the University's faculty and staff with a support structure for academic computing. Both academic and administrative functions have been able to enhance and expand the technical services provided both on and off campus. The CTLT provides computing support for faculty and staff at YSU. The goal of CTLT is to help faculty and staff integrate technology into their daily operations by providing workshops and individual assistance. The existence of the CTLT at YSU has allowed faculty and staff to improve the quantity and quality of technology-based services to students.
- 41 Technical Preparation Program. **We commend the University on its implementation of the Mahoning Area Consortium Technical Preparation Program (MAC Tech Prep).** This innovative program is a joint effort with area school districts which provides technical training, education, and experience to Mahoning Valley students starting in their Junior year of high school and finishing at YSU with an Associates degree in the fields of business, information technology, engineering, and health

services. This program provides trained workers which are in demand by Mahoning Valley businesses. This program contributes to the interests of the students, YSU, the City of Youngstown and the entire Mahoning Valley.

- 42 Cisco Networking Academy. ***We commend YSU on its early recognition of the value of the Cisco Academy and on becoming the first four year state school in Ohio to sponsor a Cisco Regional Networking Academy.*** The Academy pursues contracts for local trainers to teach Cisco networking technology. The program is nonprofit and self-supporting. The Academy provides promotional services for the University and can assist in recruiting activities. Cisco Systems, Inc., specified the Academy had to contract ten local Cisco training academies within 18 months and the Academy exceeded this by contracting with 17 local training academies and five additional local training academies' contracts are currently pending.

Other Comments

Customer Service

Financial Aid:

Recommendations:

1. The Office of Financial Aid and Scholarships currently lacks and should establish an ongoing training program and a comprehensive training manual.
2. The Office of Financial Aid and Scholarships should improve its website. For example, some financial aid application processes are not on line. A student survey, conducted in conjunction with Spring 2001 registration, showed that 64% of respondents were unaware of the financial aid website. Of respondents who indicated an awareness of the web site, nearly 60% indicated they were dissatisfied with the amount of financial aid information available on the site.
3. The Office of Financial Aid and Scholarships does not and should have a updated departmental policy and procedures manual in place.
4. The Office of Financial Aid and Scholarships can increase customer satisfaction by developing staff generalists, cross trained in a variety of functional or program areas (e.g., loan processing, Pell Grants, scholarships), while maintaining their functional or program specialties. By cross training its staff, the Office will increase the probability it will provide the right answer to a student or potential student at the point of first contact. Specialists should continue to offer in-depth program

knowledge.

5. The University should implement procedures to assure safeguarding of sensitive student data. The Office of Financial Aid and Scholarships are placing documents which contain student social security numbers in recycling bins which are accessible to people who are outside of the Office. In this case, a procedure requiring shredding of documents containing student information prior to recycling may be sufficient.
6. The Office of Financial Aid and Scholarships should have access to student e-mail addresses. Access can be achieved by sharing e-mail information obtained in the EMAS system. E-mail is an effective method of notifying potential or current applicants about available financial assistance.
7. A student satisfaction survey conducted in conjunction with Spring 2001 registration revealed that students were dissatisfied with the amount of financial aid information available from the Office and the availability of information that The Office of Financial Aid and Scholarships needs to do a better job of promoting itself and its financial aid programs. The University should be marketed in a way that reveals what the University has to offer prospective students. A recent student survey conducted in conjunction with Spring 2001 registration showed that between up to 39% of respondents voiced dissatisfaction with how financial aid is publicized. This includes institutional aid, state aid and federal aid.
8. The Office of Financial Aid and Scholarships should redesign its main customer service area. The front counter area, where students wait in line to speak with staff is uninviting. It consists of a series of five windows with garage-style metal security doors either rolled up or down. On the many

occasions that we visited the Office, we noted that only one window was open. The front counter opens onto a busy hallway, just off the pedestrian bridge in Meshel Hall. To avoid congesting the hallway, students queue in a maze-like line.

Housing Services:

Recommendations:

9. The University should revisit proposals to build apartment-style housing and to convert the Wick-Pollock Inn into housing for students. While the University has been experiencing enrollment declines, its residential halls are at the maximum amount of occupancy. The lack of available housing may restrict the growth of the University's enrollment.

Registration and Records:

Recommendations:

10. The University does not, and should, train its housing staff on the compliance requirements of the Family Education Rights and Privacy Act. Lack of training increases the probability that non compliance with the Act will occur and not be detected.
11. The Registrar is a source of data valuable to the University in its strategic planning process. Therefore, the strategic planning process should incorporate Registrar input.
12. Registration should report to Academic Affairs rather than Student Affairs. Registration's effectiveness could be improved by linking its functions

more closely with those of Academic Affairs. The colleges, which advise students on the course of their studies, and the Registrar, who allocates students to classes through the registration process, have a symbiotic relationship. The mutual benefit would be enhanced by a similar reporting relationship.

13. As means for identifying areas of improvement, the Registrar should conducted a self audit using the plan provide by the American Association of Collegiate Registrars and Admissions Officers.

Diversity:

Recommendations:

14. YSU should establish exchange programs with historically black colleges for exchange professors/instructors. An exchange program with historically black colleges would help the University raise African American cultural awareness among YSU faculty and provide a more diverse faculty to its students.
15. YSU should aggressively expand its outreach programs in the minority communities in the Valley. Outreach programs directed at reaching these communities in churches and social organizations should be particularly encouraged as these social organizations can serve as important resources to the University in strengthening its enrollment.
16. YSU should expand its efforts to target and provide more money for scholarship and grant programs to minority students. These programs directly, and positively, affect enrollment and diversity.

17. YSU should continually update its *Commitment to Diversity* report originally prepared by its Task Force on Diversity and released in August 1999. The report and its updates can serve as the University's diversity plan developed in coordination with its strategic plan. The report should include objectives, goals, performance measures, and time lines. It should assign responsibility for achieving the objectives and goals. The University should regularly report to the trustees and community on its progress against the plan.

Facilities

Campus Police:

Recommendations:

18. The YSU Police Department maintains a large pool of intermittent sworn officers. YSU should reclassify the positions from "classified civil servants" to "unclassified civil servants" to provide for more flexibility with personnel management.
19. The current Police Department facilities are inadequate for the services that the department provides. For example, the Police building has only one restroom which must be shared by male and female staff and detainees. New space is being planned and implementing those plans should be a priority.
20. The Campus Police Department should be consulted in the capital planning process to provide a security perspective on the plans.
21. The YSU Police Department maintains a Policy and Procedure Manual

and a Directives Book. The Directives Book is a series of statements dealing with police procedures. The Police Department should revise and update the policy and procedure manual and reconcile the manual to the Directives Book to ensure consistent procedures and directives.

22. The Campus Police Department should allocate its budget to revenue generating departments and ensure that non-budgeted services to departments and outside entities are charged for the services provided.

Commendations:

23. Through the use of a mutual aid agreement, the YSU Police Department and the City of Youngstown have enhanced public safety efforts in the community surrounding the University campus by defining a dual-coverage zone.
24. The use of the Automated Records Management System (ARMS) software enhances the ability of the YSU Police Department to provide efficient and effective public safety services. It allows the chief to look at past complainants determine the disposition send follow up. For example the chief can send literature on how to protect belongings in a campus dorm room to a student whose room may have been robbed.
25. The YSU Police Department provides quality crime prevention activities to the University community, as well as groups and organizations off campus. For example, the Department regularly conducts on campus safety and security orientations for students, faculty and staff.
26. The YSU Police Department has increased the funding available by applying for and receiving grant funds. The department should continue

to seek and apply for public safety grant programs.

Capacity Analysis and Study:

Recommendations:

27. An automated classroom scheduling system should be obtained to standardize, document and centralize the scheduling process. Classrooms are currently scheduled manually and by a single person.
28. YSU does not have a formal space management process and, as a result, contributes to space underutilization. The University should conduct a facility space audit and develop and implement space management policies and procedures.

Janitorial Contract and Monitoring:

Commendations:

29. The University saves approximately \$96,500 per year, in addition to equipment and supplies savings, by contracting out janitorial services.
30. The University maximizes the effectiveness of the janitorial contracting process and minimizes risk of contract non-compliance by its practice of contracting for janitorial services on a building by building basis. Campus buildings are used for different purposes (e.g., as dormitories or classrooms) and require different types of janitorial services. As a result of individual building contracting, YSU has been able to develop effective performance indicators specific to each building type. By monitoring the performance indicators, the University is able to effectively manage its

janitorial contractors and reduce the risk of contract non-compliance.

Maintenance Staff Analysis:

Recommendations:

31. Job descriptions for the Facilities Department staff should be reviewed and updated. Many have not been updated since 1995 and do not accurately describe the job responsibilities for some positions.
32. Facilities Department evaluations should have more input from the facilities director.
33. Facilities Department evaluations should consider employee productivity.
34. The Facilities Department should implement a standardized non-emergency work order form.
35. The Facilities Department should implement a planned preventive maintenance program linked to a comprehensive work order tracking system.
36. The performance evaluation form should be removed from the bargaining agreement between the University and the Association of Classified Employees (ACE). The contract incorporates an actual copy of the performance evaluation form. Incorporating the form restricts management and labor in responding to changing needs and the means to meet them (e.g., technology).
37. The Facilities Department should implement a University-wide policy for

requesting repairs and should focus on assigning requests to the most appropriate employee.

38. The Facilities Department staff should report all costs associated with each work order including parts used. In some cases parts used are not recorded on work order. Tracking all costs associated with the work order will allow management to better monitor staff productivity, parts inventory, and departmental expenditures.
39. The current work order system has limited computerized capabilities, covers only a portion of all work orders issued, and is time consuming. Efficiencies could be gained by implementing a comprehensive work order system.

Motor Pool:

Recommendations:

40. YSU's motor pool does not have a formal computerized work order system. A computerized system should provide reports that track repairs and maintenance costs per vehicle and in total.
41. The Motor Pool should improve efforts to have all employees accurately input vehicle information into the refueling system to enhance the department's ability to accurately track costs and vehicle history.
42. YSU should establish and manage a vehicle replacement policy.
43. YSU should set-aside funds for vehicle replacement under its vehicle replacement policy.

44. The Motor Pool should better monitor its parts inventory. It does not systematically monitor the use of parts issued from the storeroom. Inventory could be monitored as part of a comprehensive work order system.

Commendation:

45. YSU's Motor Pool is commended for effectively managing the sedan rental operations of the University.

Financial

Accounts Payable:

Recommendations:

46. The University currently processes a small number of payments through Electronic Fund Transfers (EFT). The Accounts Payable Department should analyze various payment types and vendors in order to increase the use of EFTs.
47. Some University departments do not approve or process vendor invoices in a timely manner. The Accounts Payable department should institute a vendor payment tracking system to help ensure invoices are processed in a more timely.
48. The University issued a booklet on travel and travel reimbursement procedures in 1994 and has subsequently issued various updates/amendments as warranted. Updates and amendments to issued

University procedures should be controlled through a numbering system which would allow a user to quickly and easily identify the most current versions. Additionally, as a number of procedures updates/amendments are made or after several years, the University should consider reissuing the entire travel procedure booklet.

Commendations:

49. The Accounts Payable Department is commended for documenting internal department procedures for processing vendor invoices for payment. The documented procedures provide a reference source for employees to understand the processing of vendor invoices for payments and to assist in answering questions as they arise.

General Accounting:

Recommendations:

50. The Board of Trustees or its Budget and Finance Committee do not consistently receive a comprehensive, standardized financial reporting package. The Board of Trustees or its designated committee should receive a comprehensive financial reporting package, at least, on a quarterly basis. Examples of what could be included in reporting package are YTD budget versus actual comparisons for operating, restricted and capital budgets, budget changes necessitated by current events, analysis of unusual or unexpected results, SB6 discussions, accounts receivable analysis, investment results and forecasts and cash flow projections. The items to include within the reporting package should be an evolving project between the Board of Trustees and management of the financial area.

51. The University receives significant funding through the State Share of Instruction. The University should independently prepare a spreadsheet or analysis detailing the calculation of the State Share of Instruction. This would help the University to detect any errors or inconsistencies in the State provided calculation and may also facilitate the forecast of the State Share of Instruction in a variety of scenarios.
52. The impact on Senate Bill 6 ratios is an on-going consideration in financial decisions made by the University. However, the University has not formally included Senate Bill 6 ramifications within the annual budgeting or forecasting processes. The University should incorporate Senate Bill 6 considerations into its annual budgeting process and interim financial reporting.

Grants Management:

Recommendations:

53. In claiming Facilities and Administrative (F & A) Costs, or indirect costs, under OMB Circular A-21 for smaller institutions using the simplified method, the University may choose between either the Salaries and Wages distribution basis or the Modified Total Direct Cost distribution basis. The University should perform an analysis to determine which distribution basis would be most favorable to the University. Issues to consider in this analysis include maximizing revenue recovery, maintaining consistency with negotiated rates for federal programs and providing an effective audit trail.
54. The University's manner of assigning an indirect cost recovery rate to a

proposal is not consistent. The rate at which indirect costs are charged to grant proposals varies in relation to the University's perception of competition for the grant dollars. The University should develop and consistently apply a standard indirect cost recovery rate when securing external funding. The rates may differ based upon the funding source (i.e., federal, state, local, and private) but a consistent rate should be applied within each funding source category. Additionally, in those instances where University personnel may want to use a lower indirect cost recovery rate, the University should develop procedures to ensure any reductions to the rate are approved by appropriate levels of management.

55. The University does not have an employee assigned to assist with monitoring grant and contract progress and reporting within the post-award phase. The University previously established an employee position to facilitate the process; however, the position has remained vacant. The University should fill the position.
56. The University offers certain incentives for faculty to participate in program planning/proposal development. However, not all faculty elect to participate in writing grant proposals. The University should openly and regularly communicate its expectations with the faculty as it relates to grants and research proposal writing.
57. The University utilizes a proposal authorization form, or "blue sheet," to help control and monitor the grant proposal process. One of the key components of the "blue sheet" is the identification of any cost sharing amounts and the source(s) of the cost sharing. However, the cost sharing amount or source is not always identified on the "blue sheet." The University should adhere to its procedure of identifying the amount and

source of cost sharing as well as obtaining required approvals prior to committing the University to any type of matching funds.

58. On various occasions indirect costs have been waived without the proper University approval. Currently, the Dean of Graduate Studies is the only official authorized to waive indirect costs. The University should closely examine indirect cost waivers and external funding applications without the proper approvals should not be processed until the waiver has been approved. Additionally, the “blue sheet” should be revised and a section added to identify the indirect costs which have been waived.

Commendation:

59. The University has developed a guide book, “Guide to Sponsored Programs Development.” This book is a valuable source of information as it contains University policies and practices relating to grants and contracts as well as the procedures to follow for grant proposal submission.

Investments:

Recommendation:

60. The current Budget and Finance Committee has limited involvement in the investment function decisions. The University should establish an Investment Committee to review the University’s investment philosophy, goals, and objectives. The Committee would also function as the monitoring and reporting agent for the Board of Trustees to help ensure procedures and performance objectives are followed. The Investment Committee would be responsible for the oversight of all University funds

managed by the University's Investment Department as well as the endowment funds managed by the YSU Foundation.

Commendation:

61. YSU uses several banking services. The University adopted a policy requiring competitive bids for these services every three years. A University committee reviews each potential bid and the lowest/best bidder is accepted.

Materials Management:

Recommendations:

62. The University's current purchasing system, although termed centralized, has several aspects of a decentralized system. Various departments within the University maintain personnel who perform detailed analysis and research prior to submitting requisitions to the Materials Management personnel. Additionally, as the University emphasizes the use of procurement cards campus-wide, the use of central purchasing for small dollar items will become even less. The University should continually evaluate its central purchasing responsibilities in conjunction with these factors.
63. YSU participates in the Inter-University Council (IUC) which includes cooperative purchasing arrangements with various vendors and the Materials Management Department (MMD) should be commended for this participation. However, in most cases, vendor selection for items less than \$10,000 rests with the requisitioning department. The MMD should consider establishing a dollar threshold, below the \$10,000 bidding

- requirement, which would require the requisitioning department to compare their vendor selection to IUC and state contract vendors in order to maximize savings.
64. The University has instituted a procurement card program to purchase smaller, routine items. These funds are not encumbered prior to the actual purchase. The Materials Management, Budget, and General Accounting Departments should weigh the advantages and disadvantages of not encumbering procurement card purchases and consider encumbering the annual estimated purchases from the procurement cards.
65. The University has not performed any type of cost benefit analysis regarding the Materials Management central store functions by comparing Material Management's cost of providing the services to the cost of purchasing and receiving directly from vendors which is avoided. The University should demonstrate the Central Store function provides goods to other departments at a reduced cost. The University should maintain the system which provides the services at the lesser cost.
66. The Material Management Department (MMD) is responsible for the excess and surplus property/inventory disposal function. The University had approximately \$143,000 worth of inventory with no activity in the last six months. The MMD should establish policies and procedures to identify, minimize, and if needed, dispose of slow-moving inventory.
67. The Central Store function provides merchandise to supply departments items at cost plus a small surcharge. This surcharge is currently established at 0.1% of the items cost. The surcharge is intended to cover shipping charges incurred by Central Store. In certain departments, the

surcharge exceeded the shipping costs allocable to those departments. The MMD should perform a review of surcharge and the associated percentage to determine whether the recovery percentage is accurate and whether the surcharge percentage is accurately applied.

68. The University currently lacks formal procedures and methodologies for bid evaluation. The University should establish standard grading procedures and methodologies to ensure all bids are consistently evaluated.
69. The current accounting software system (Advantage) offers various reports which may be useful in managing inventory in central stores. The MMD should determine the types of reports currently available from Advantage and remain current on any updates to the System.

Commendations:

70. Upon approval of a procurement card to a University employee, the Materials Management Department provides training for the use of the card, reconciliation of purchases made to statements, and a review of all policies and procedures regarding use of the card. The Materials Management Department should be commended for this formal training program.

Bursar:

Recommendations:

71. A process to reconcile the Bursar's student billings and the University's registrants does not currently exist. Processes should be developed,

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- documented, and implemented to periodically reconcile the registrants within the Registrar's Office to the billing activity within the Bursar's Office in order to ensure that all services being delivered are billed.
72. The Bursar's Office should ensure two employees are present each morning to count cash receipts or develop and implement compensating controls to guard against potential errors or irregularities in those instances when two employees are unavailable to count the cash.
73. Non-student revenue (e.g., bookstore, parking, library) is collected through one of the 21 cash collection points. Collection procedures are stipulated through a documents called "Memos of Understanding" (Memos). These Memos are agreements between the Bursar's Office and others in the cash collection areas. The Memos should be updated whenever procedures or personnel change. However, certain Memos remain outdated. The Bursar's Office should update all Memos to reflect current operating practices and procedures.
74. The Bursar's Office activities are guided by a variety of written policies and procedures and common practices. This guidance is not collected into a centralized policy and procedures manual. The Bursar's Office should document its common practices in policy and procedure form, and collect all policies and procedures in a common manual. The manual will serve as a readily available reference source and help ensure employees understand the various operational nuances of the Bursar's Office.
75. The Bursar's Office does not use a lockbox to receipt student tuition payments or other Bursar Office receipts. The benefits and costs of using a lockbox have not been evaluated by the University. By using a lockbox, inefficiencies and processing time may be reduced and cash flow and
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productivity may be increased. Productivity would be increased by freeing personnel from the manually intensive receipting process.

76. The University cannot accept payments from or provide account access to students via the internet. The software supporting Bursar functions was developed in-house, and its initial implementation was problematic. The system is currently undergoing a redesign. In the short run, the University should assure that a design goal of the redesign effort is to web enable student payments and account access. In the long run, the University should evaluate its overall administrative computing software strategy.
77. The Bursar's Office in-house computer system has been identified as having several problems. A committee was established to determine the condition, cause, and effects of the problems. The University should establish procedures to accumulate questions and concerns regarding the Bursar System. The Systems Development Life-Cycle model provides an appropriate framework in which to conduct the system redesign.
78. An automated interface does not currently exist between the Bursar system and the Advantage financial accounting system. These Bursar system's deficiencies have been identified by a committee consisting of the Bursar, the Director of General Accounting, the Director of Internal Audit, and a System Analyst, and are expected to be addressed during the redesign of the system. The University is commended for identifying the problems between the Bursar System and General Accounting interface and recognizing the issues related to the lack of supporting documentation used to develop the accounting journal entries.

Commendations

79. Receipts collected at the cashier windows and by mail are controlled within the computerized cash registers and are immediately posted within the Bursar system. The effect of creating and maintaining receipts provides appropriate checks and balances in the receipting process. The University is commended for following procedures promulgated by the American Institute of Certified Public Accountants (AICPA).
80. Large delinquent student loan account balances or accounts pending bankruptcy are forwarded to the Ohio Office of the Attorney General Revenue Recovery service which charges a 9% collection fee. In the past the University had very limited use of the Ohio Office of the Attorney General's Revenue Recovery service. However, the University is placing more accounts with the Attorney General, and it is anticipated these placements will save the University money in reduced collection fees. The University is commended for using the Ohio Office of the Attorney General's Revenue Recovery service.

Payroll:

Recommendations:

81. The Payroll Department does not maintain codified written policies and procedures for the payroll processing cycle. Written policies and procedures should be developed to document the flow of information throughout the payroll process and assist employees when needed. Since the processes are not documented, payroll personnel may be unaware of the specific duties assigned to them and many individuals may be doing similar duties or unnecessary duties.
82. The University's timecard has five different rows for entering time on it but

it does not encompass all the various time accountability scenarios. Without a properly designed time card, employees and supervisors may not be properly reflecting actual hours worked or actual leave hours taken. The University should consider automating the timecard process. The automation of the timecard process could ensure accurate extension and addition of hours paid.

83. Many of the forms the Payroll Department receives from the Human Resources Department have an annual salary amount listed. The Payroll Department manually calculates the payment amount from the salary and based upon that computation, inputs the payment amount into the Payroll System. There is an increased risk of error, since there are several manual processes involved. The University should determine whether the Human Resources Department or the Payroll Department is responsible for calculating pay amount, and that department should consider automating the calculation of salary amounts into pay period amounts by utilizing an electronic spreadsheet package, (Excel, QuattroPro, etc.) or by having the University programmers reconfigure the payroll software to convert the salary amount into a per pay period amount.
84. There is not a specifically designated Payroll Department employee assigned to follow up on returned W-2s and formalized procedures relative to returned W-2s do not currently exist. Procedures should be documented which address the steps to be taken when a W-2 is returned to the Payroll Department. A log should be designed to document the W-2s that have been returned and the steps taken to locate the owners of the W-2.
85. The Payroll Department uses a mix of in-house developed and purchased software systems to record, process and report data in their daily

operations. Data is shared between system types through batch interfaces. Whenever changes are made to employee payroll information in one system, the Payroll Department must maintain the batch interface. The University's payroll computer systems should be organized as a relational database to eliminate repetitive entry of data. In the short run, the University should consider automating the interfaces between its systems. In the long run, the University should include a fully-integrated HRMS/Payroll in its ERP request.

86. Edit Reports are usually generated whenever changes are made to employee information in the payroll system. However, an Edit Report is not generated for any changes to leave balances. Edit Reports should always be generated when changes are made to system information. Edit Reports should indicate which payroll clerk made the change to employee information and someone other than the payroll employee making the change should check the Edit Report for validity and accuracy.
87. Many individuals have access to the payroll system, but some employees may not have a need for the access. The list of employees with read access or update access to the payroll system should be evaluated to determine which employees need read access or update access to the payroll system. By not limiting update access to the payroll system, data could easily be tampered or changed. Update access should be provided to only those employees who truly need that type of access. The list of employees with update access or read access should be periodically reviewed and modified, as needed.
88. The General Accounting Department should distinguish between those payroll checks that have been are being written-off the outstanding check list and added back to book cash balances, and those that have cleared

the bank, and communicate the distinction to the Payroll Department. Checks can be written off if they remain outstanding for long periods of time. The current reconciled field does not differentiate between checks that have merely cleared the bank and those that have been written-off. If provided a listing of the written-off payroll checks, the Payroll Department could perform follow-up procedures to correct payee information in order to help eliminate the volume of outstanding checks. The payroll system should be modified to include a field to be used solely for written-off checks.

89. Payroll history by employee is not maintained in an accessible form, and the payroll clerk must view monthly printed registers to compile the information. When the Payroll Department needs monthly or daily reports to be printed, it must schedule the print job with the Computer Services Department. The Payroll Department should determine the types of payroll data and reports necessary to manage that area and communicate those requirements to Computing and Information Services.

Internal Audit:

Recommendations:

90. The YSU Board of Trustees has not formed an Audit Committee. The Finance Committee acts as an Audit Committee. We recommend that the Board of Trustees establish an Audit Committee. Audit committees enhance the real and perceived independence of auditors by providing a direct link between the auditor and the governing board, and allowing dialogue to take place between the department and the Board. The Audit Committee should promote the Internal Audit Department's role of helping management achieve its objectives by providing appropriate audit

coverage, adequate consideration of audit reports, and corrective action on audit recommendations.

91. There is not an updated, written and approved University charter for the internal audit function of YSU. A charter should (a) establish the department's position and reporting relationship within the organization; (b) authorize access to records, personnel, and physical properties relevant to the performance of audits; and (c) define the overall scope of internal auditing activities. The Board of Trustees (or its Audit Committee), should develop a formal written charter for the Internal Audit Department.
92. The Internal Audit Department currently preforms compliance procedures during audits, however, the audit programs are general in nature. The Department should design its audit programs so the required compliance steps are more specific and explicit. The Internal Audit Department should coordinate with the University's General Counsel for the identification of enacted or pending laws and regulations.
93. The Internal Audit Department is not consistently notified whenever a University department modifies or changes its systems or procedures. Prudent business practice suggests significant departmental policy or system changes should be communicated to the Internal Audit Department. As a matter of reoccurring operating practice, the University should stress the importance, to the various departments, of communicating any changes to respective policies, practices, or systems to the Internal Audit Department.

Commendations:

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94. The Internal Audit Department has compiled position descriptions for each staff position. The position descriptions provide guidelines for staff responsibilities. Internal Audit Department staff qualifications meet or exceed the position description in all aspects. The staff has experience in accounting and auditing, and this experience lends itself toward a productive department.
95. The Internal Audit Department has conducted certain EDP type audits and is planning to expand into unlicensed software audits in the near future. Since many of the University's processes are automated, it is prudent business practice to begin instituting EDP type audits. The ability to perform these IT type audits is a testament to the Department's aptitude and skill. The expansion into these audits will undoubtedly add several levels of assurance to the University's internal processes that are carried out by information technology systems.
96. The Internal Audit Department issues findings and recommendations to each department, based on audit results. The Internal Audit Department conducts follow-up audits and issues follow-up reports in various areas each year, when appropriate. Follow-up audits and reports help foster a self-awareness in the audited departments and functions.
97. YSU's internal audit function succeeds in meeting the standards established by the Institute of Internal Auditors. The Internal Audit Department appears to be operated in a manner that is consistent with Institute of Internal Auditors recommended practices.

Budget:

Recommendations:

98. No policy of the Board of Trustees addresses its authority to approve budget modifications. The University's current practice is to have the Board of Trustees approve budget modifications in excess of \$50,000 and changes less than \$50,000 are approved by the Executive Vice President. The University (Board of Trustees) should consider this practice and adopt, or revise and adopt it formally as a policy.
99. The University has a operating budgeting process but the process is neither formalized nor codified. The University should establish a formalized and codified budget process approved by the Board of Trustees.
100. Each month the Budget Office provides the "Monthly Budget Status Reports" to the various departmental users in two forms -- a hard copy and on-line. The University should re-evaluate distribution of the hard copy since this information is available to the respective departments on-line.
101. The Budget Office is currently responsible for reconciling actual salary amounts to budgeted amounts. However, salary changes/adjustments are not always communicated to them. All salary changes/modifications should be communicated to the department responsible for reconciling actual and budgeted payroll amounts.
102. The University's current level of budgetary expenditure control within its accounting system is at a very high level. This can result in individual departments overspending their budgets as long as the higher level is not exceeded. The University should re-evaluate the current level of budgetary control and consider decreasing that level.

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103. Currently there are no penalties or consequences for departments which overspend their respective budgets. Additionally, incentives do not exist for those who underspend. The University should establish criteria, including consequences and rewards, which promote fiscal responsibility within each department.
104. Fringe benefits are a significant line item within the University's budget. The University should adopt a written policy to establish how fringe benefits will be estimated within the annual operating budgeting process.

Human Resources

Benefits:

Recommendation:

105. The HR benefits web site should be expanded to include explanations of employee benefits, the ability to download claims forms and to list links to medical, life and disability insurance web sites.

Contracted Services:

Recommendation:

106. Service contract development and management functions are divided among several offices at YSU. YSU should consider centralizing the development and monitoring of service contracts.
107. YSU should develop performance measures to assess contractor performance on each contract awarded. Janitorial service contracts

provide a useful template for this process.

EEO/Disability Services:

Recommendations:

108. YSU should update its *Recommendations for Compliance with the Americans with Disabilities Act Report* to establish overall goals and objectives for ADA compliance.
109. YSU has lower than expected levels of women and minority employment in the top three levels of the administrative and professional ranks. It should address this disparity in its employee recruiting and hiring processes.

Commendation:

110. YSU awarded 16 percent of the total contract dollars to Minority Business Enterprises in FY 2000, well above State and Federal requirements and guidelines.

Labor Agreements and Negotiation Process:

Recommendations:

111. There has been a significant increase in the number of grievances filed by two of the four unions at YSU. Steps should be taken to minimize grievances, such as supervisory training concerning union contract management, employee-related action reviews by the HR department and

team building activities.

112. The faculty union survey identified several areas of concern. The University should examine the results, address the identified concerns with union officials, and report on its progress regularly to the Board of Trustees.
113. The University should develop better guidelines for supervisors with regards to APAS work hours and expectations.
114. The human resources department should be consulted, for its bargaining agreement knowledge, on management decisions which may impact or be impacted by provisions of union contracts.
115. To assure consistent application of contract provisions, HR should manage union communications
116. Future bargaining unit agreements should call for the cost of arbitration, including cost of the arbitrator and procedural costs, to be borne by the unsuccessful side.

Human Resources Management System:

Recommendations:

117. YSU should fully automate its data processing systems and processes in order to increase the long-term efficiency of the HR department.
118. YSU does not have a human resource management system (HRMS) and should consider purchasing an HRMS in conjunction with an ERP system

implementation.

119. The HR department does not engage in workforce and other planning or forecasting activities. The University should provide HR with the technological tools to gather and process the information needed for workforce planning.

Staffing Analysis and Job Descriptions:

Recommendation:

120. YSU has no formal method in place for comprehensively reviewing the classification and pay scale systems for professional, administrative, exempt or Association of Professional and Administrative Staff union members. It should conduct a classification study, which would probably require the use of outside consultants.

Training and Professional Development:

Recommendation:

121. Currently, YSU does not require employees to attend training (except Environmental and Occupational Health and Safety training). YSU should strongly support training to all levels within the University
122. The University should establish an organization-wide strategy for assessing attitudes, needs and inputs from students, employees and the community as it relates to training and development. This assessment should be completed before implementation of the Employee Certificate Program.

123. YSU should develop an orientation checklist to be filled out by new employees and their supervisors to ensure that key employment and workplace topics are addressed.
124. The training manager has created individualized programs to meet the needs of employees. Staff development programs can enable employees to be more efficient, build morale and improve skill sets.
125. The YSU Human Resources Department should cross train staff and create procedure manuals for each HR position's responsibilities.

Technology

Academic Computing:

Recommendations:

126. Academic computing functions at YSU are divided among several departments on campus. Media and Academic Computing (MAC) provides technical services and support for the entire University and Academic support for all colleges except the College of Arts & Sciences (A&S) which maintains its own facilities for academic computing. The Center for Teaching and Learning Technology (CTLT) supports the use of technology by all faculty and staff. Some of the services provided by MAC and A&S are similar, provided concurrently and may be overlapping. YSU should consider a centralized approach to the services offered by these three departments.
127. YSU does not have centralized technology procurement procedures.

Centralized technology purchasing can ensure that only consistent and compatible systems are purchased, and allow the University to take better advantage of bulk purchasing rates and vendor discounts. According to the National Association of College and University Business Officers (NACUBO), the more standardized an institution's technology services are, the more cost-effective they are to operate and support. YSU should consider centralizing its hardware and software purchases.

128. YSU does not have a central database of warranties and licenses for University hardware and software. Centralized maintenance of license and warranty information can ensure compliance with terms of licenses and minimize out of pocket repair expenses for machines under warranty. YSU should centralize license and warranty tracking for its hardware and software purchases.

129. YSU assesses a \$50 per semester computing fee to all students. The fee is split among Academic Administration and Information Services, the Computing and Information Services department and the colleges. The allocation of student computing fees should ensure that all computing and technical needs of the University are met. The University's chief technology officer should develop a new allocation plan for student computing fees.

Administrative Computing:

Recommendations:

130. Computing and Information Systems department employees receive limited training due to limited staff size, financial resources, and time. For FY 2000, the Computing and Information Systems department spent less

than 1.2% of its budget on training expenses. A rule of thumb used by human resources professionals is that true learning organizations will spend between 3% and 6% of their payroll on training. The Director of Computing and Information Systems should develop and implement a training regimen for department employees and track the amount of training obtained through contracts with hardware and software vendors.

Information Infrastructure:

Recommendations:

131. Logical access for mainframe resources is secured by a program called RACF. RACF contains a range of security parameters that provide differing levels of security. One parameter calls for an administrative reset if a specified numbers of failed logins occur. Hackers often attempt to guess passwords and can generate numerous failed logins in their attempts. An administrative, or hard, reset will lock out a hacker after a specific number of failed logins. The University uses another way to secure access that does not limit the number of failed logins before requiring an administrative reset. We suggest the University change its security profile to one that requires an administrative reset after a specified number of failed login attempts.

IT Strategy and Organization:

Recommendations:

132. Current University policy on the acceptable use of computing resources is broad and has resulted in a level of use which has outstripped the University's capacity. Many organizations struggle to manage the

organizational benefit of technology use with the high cost of increasing capacity. Many choose to limit, in some rational and consistent manner, access to these resources. Software exists which can enable such policy decisions. We suggest that the University revisit its acceptable use policy, describe acceptable use in more detail, and implement software solutions to enforce its policy decisions.

Telephone Services:

Recommendations:

133. The University manages its telephone installations using software known as T/MIC. This software captures information on request to move, add, or change a telephone service and is used to charge telephone service back to the appropriate departments. Currently, only the administrative assistant 3 has the appropriate level of access to this software. There is no other person cross trained to fill in when necessary. We recommend the telephone department cashier be cross trained and provide with the appropriate level of authority in the software to assist the administrative assistant 3 maintain inventory and billing records.

Commendation:

134. The Telephone Services department provides telephone, voice mail, and 911 services to the campus community through a University-owned telephone switch. In addition it provides accounting, maintenance and repair, and pay phone services. NACUBO suggests that a university telephone department provide a set of services, all of which the YSU Telephone Services Department provides. We commend the Telephone Services department for its management and operation of the telephone switch and telephone services on campus.