

Cost Containment and Productivity

Faculty Assembly Presentation

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Cost Containment: Guiding Principles

- Reinvest in Core Strengths of the University
- Focus Resources on Our Core Mission of Research, Teaching, and Public Service
- Achieve Efficiency without Compromising Excellence
- Manage Resources to Enhance the Student Experience
- Reduce the Cost and Complexity of Administrative Operations
- Use the Best Technology Available to Contain Costs and Increase Efficiency

Cost Containment, FY09-FY13

- Channeled Spending, Consolidation of Vendors, Renegotiated Contracts: \$78m
- Salary Freeze (FY10); Delay (FY12): \$19m
- Changes to Fringe Benefit Retirement Plan: \$40.5m
- Energy Conservation: \$8m
- VERP: \$22.8m total University savings; \$16m net savings (assuming 30% replacement)
- Unit-Level Efficiency Enhancements: \$32.9m

Unit-Level Enhancements

- Virtualization of enterprise and departmental servers: SIS, Ed, UCSUR, GSPIA, GSPH, Katz, ...: \$2.7m savings between FY11-FY13
- Paperless initiatives: OAFA, OMET, Payroll, Medicine, Libraries, P&T cases, ...
- Reduce/eliminate low-enrollment course sections
- Administrative Reorganization, Bradford/Titusville

Unit-Level, cont.

- VERP: \$7.95m gross payroll reduction in the Provost Area, \$5.6m net reduction
- A&S: cross-departmental admin sharing
- Cross-School admin sharing

For Details on Cost Containment:

<http://www.pitt.edu/news/2012CostContainment.pdf>

Plans for Future Enhancements

- Copiers – Total Output Management
- Panther Express
- Employee Record self service