

## Minutes 9/12/11

Called to order 1:00 PM Paul Tucci standing in for Bill Shaut who is dealing with flooded property in PA.

Announced change in slate of officers. Need secretary!

Have volunteers for SUBOA at large members

Bill Howard legal HR update

Legal newsletters began in April; have sent 2 thus far. SUBOA should be receiving them but have not.

Please visit new Office of General Counsel website.

Important transactions –

- Downstate and LI College Hospital merger
- Upstate and Community General Hospital merger
- Public Private Partnership
- Marcy nanotechnology
- Fredonia incubators

Wendy Gilman and Leif Hartmark presentation- Resource Allocation Team

Need resource allocation model by April of this year. Seven cuts have been administered seven different ways. See handout

Invitations to participate in this process are going out tomorrow September 13<sup>th</sup>.

Brian Hutzley System update

Shared services, kitchen cabinet, Finance committees. See handout

Rational tuition is not guaranteed despite 5 year ruling. Could change in year 3,4 5 based on political climate and voting changes.

Bonny Boice Jeff Boyce Research Foundation update

Recruiting for:

- legal counsel
- Interim president and permanent president
- CFO

OSC audit in progress; IG investigation in progress

Eleven critical issues related to RF practices - See handout

Update on HUB activity – see handout

Mike Abbott Internal Audit update – see handout

Brendan Schaefer Information security update – see handout

Charlene Deno ABB update-

Based on a survey of members, training will be conducted at each ABB meeting

Some meetings will be hosted on campuses

Meetings being moved to Wednesday – Thursday time frame

Working on until SUBOA directs them otherwise: IT Transformation and BI initiative

John Traylor Division of Budget update -

Partnered with Accenture on strategic sourcing project Collaborative purchasing and contracting

Started 11/10 with project goals of savings, knowledge transfer, and process improvement

- Profile- strategy- documentation- savings summary
- Identified where dollars are being spent, vendors utilized. Want to leverage spending to get best savings. Buying power. Savings projected to be 7-17% in certain categories.
- On \$3.1 billion targeted for efficiencies- 400 suppliers provide 80%; 29,800 vendors for the remaining 20% of spending.
- Examined by spending category (energy, food, facilities, etc.) Why disparities in pricing among various agencies. Establish savings targets.
- Encourages competition in NYS, will entice other authorities to partner with DOB.

IT hardware software, office supplies and fleet cards are first 4 categories of spending targeted for efficiency. E.g.: Office supplies projected to save \$3-8 million on \$50 million

DOB wants SUNY input on teams, access to data and purchasing needs, names of expert contacts

Patty Billen DOB project director [patricia.billen@budget.ny.gov](mailto:patricia.billen@budget.ny.gov) for assistance or inquiries.

MWBE goals are part of this process. Very aggressive targets for campuses. DOB wants to provide choices through this program. Will help vendors become MWBE affiliates. Put MWBE requirements in solicitations so that vendors need to partner with MWBE if they don't meet prerequisites themselves in order to get business.

Adjourned 5:00 PM

Paul called the meeting at 8:00 AM

Bob Haelen and Karen Bee-Donohue Capital planning update

Continuing to collect information on Irene and Lee. Thank you for fast turnaround. FEMA reimbursement will go through facilities office. DOB wants SUNY to be held harmless for damage costs Two part program for free labor- to put people to work and for remediation for the damage. Campuses can choose employees but people will be on DOL payroll. Materials costs not included in program.

Communication during incident was a problem. Need to have campus communications liaisons communicate with Office of Facilities Planning in a timely manner. Want a single point of contact (Karen received over 2,000 emails.) Request for intercampus communication point so each knows what is happening at other locations for possible resource sharing. (Possible central website)

New Campus Lets person as of June. Been in training and writing procedures. Letter of introduction coming out soon with survey requesting highest needs for this person. Jessica Miller,

Res Halls plans requested \$263 million this year; \$208 million for next year. Shows good long range planning.

Paul Tucci will be new liaison for SUNY PPAA,

Bob offered to visit campuses with new Business Officers for an in-service learning

DOB expects SUNY to submit budget this year. Want to look at it holistically. Will be closely scrutinized. Primary goal to maintain financial plan level to continue building. Request is about \$2.2 billion in aggregate.

New administration has no interest in tackling debt reform (related to debt cap)

Would like to have someone from campus at board meetings when complex transactions on table for approval. Will help with answering questions, etc.

MWBE big part of facilities. It is about building relationships. Concern is that they are not low bidder. Need to focus on effort of giving them at least some of the business. Cannot specify in a bid that "20% of work must be MWBE". Suggest working through an MWBE firm where campus issues a large blanket P.O. such as \$200,000 and not use several smaller orders. Construction fund will put together a best practices document for campuses but they cannot participate in connecting MWBE with specific locations.

8:39 AM- sector or alliance groups.

Need to come up with ways to participate in shared services (or someone will do that for us). Need to get past issues such as different dispenser types, brand loyalties, etc. that prevent campuses from sharing resources.

Impression is that DOB/System is looking for much loftier savings than what can be accomplished through combining purchase orders. Look for the low hanging fruit. Possibly leverage existing shared services (SICAS, ITEC, etc.) If campuses don't show due diligence and initiate some form of efficiency it may be mandated that we change or eliminate programs. Despite all prior year individual efforts to economize the playing field is level again.

Campuses are expected to go through the exercises to possibly identify where cost savings can be achieved without sacrificing academics. There is some support for academia taking some of the hit through class sizes, teaching loads, extra service and release time. Maximizing administrative efficiencies is not going to be enough to achieve goals desired.

Short term goal perceived to be that the Chancellor and governor want to see big money fast; however, economies of scale cannot be achieved without significant policy changes. Will take considerably longer than two years.

Suggestion was made to visit CUNY, who operates on a very standardized basis and uses centralized services. Paul Tucci will take names of people who would like to visit CUNY for this purpose. (Brian Hutzley is planning to visit CUNY for this purpose.)

Dave Kowalak and IT transformation team has information regarding centralizing services but it needs to be more fleshed out. SUBOA would like ABB to engage in that and report back at the November meeting. Recommendation that Dave become a regular agenda item for SUBOA.

Strategic sourcing: SUBOA need timeline, costs, options (if any), more details in general. Paul will reach out to Brian, who is looking for buy-in.

MC classified increases- Paul will get some guidance from Curtis.

Suggestion was made that SUBOA make a formal request for more SUTRA allocation next year because it has caused problems on campuses that cannot use the resources they have. Was especially helpful to allow SUTRA spending through state operations.

Discussion on the 10% floor on OTPS spending. Number is not policy restricted. Unrealistic limitation. Charlene offered to have ABB examine this process. SUBOA agreed. Motion made and approved to have ABB look into the PSR/OTPS ratios. Suggestion was also made that SUBOA get on President's agenda to inform them of the issue (give a presentation). Nick will pursue this with his President.

Meeting adjourned 10:39 AM