

On the Advantages of “Thinking Small”

Paul Oman

Computer Science Department

University of Idaho

Lately, the University of Idaho has placed much emphasis on big bold plans and innovations for transforming the university into something new, but our track record for carrying out such plans is less than impressive. Perhaps we should be contemplating small incremental changes. Let’s explore the results from past failures and predict what savings will come from incremental change.

Big Bold Plans Yield Big Losses

In the past decade, the University of Idaho has undertaken three¹ big bold initiatives aimed at expanding and improving the institution. All three failed spectacularly. In reverse chronological order:

1. President Hoover’s “University Place” initiative (circa 2002) was aimed at increasing our presence in Boise and expanding our impact throughout the state. The goal was to create a showcase building for research and instruction in Boise. The results?
 - Estimates of costs and losses to the university range from \$2M to \$40M or more.
 - Violations of SBOE policies and Idaho state law have been documented.
 - Criminal charges were filed against UI administrators, accompanied by several years of litigation and many years of nationwide bad press.
2. In 1999 an early retirement program was created to reduce the number of senior faculty members and replace them with less-experienced, new PhD’s. At the same time a document for program planning and reorganization was released by the UI Provost’s office, leading to several years of “blue ribbon” committee analyses aimed at better focusing the research mission of the university. The early retirements occurred from 2000-2004; Recommendations for research initiatives and resource allocation were announced in 2004 and new initiatives started receiving funding in 2005. The results?
 - Research revenues peaked in FY2004 at \$105M per year and have declined every year since then.
 - For FY2009 the university research revenue is budgeted at roughly \$75M.
 - The average decrease in research revenue for the past five years is \$6M per year.
 - Total cumulative losses, assuming a linear decline, from FY2004 to FY2009 could be as high as \$90M.
3. In the late 1990’s, the University of Idaho left the Big Sky athletic conference and chased Boise State University around different athletic conferences until eventually ending up in the Western Athletic Conference in 2005. A parade of UI

¹ Four, if you include closing the College of Art and Architecture.

Presidents² justified these moves as “essential” to the survival of the university. The athletic budget was increased roughly \$700K per year from AY2000 (\$7.5M) to AY2008 (\$13M), with the majority of those increases coming from state, institutional, and student fee subsidies. The results?

- The football program has not had a winning season since 1999 and is consistently ranked at the bottom of the NCAA-IA division
- In 2009 the men’s basketball program struggled to their first winning season in 10 years; their 17:16 win-loss record raised their national ranking from near the bottom (#247) to middle-of-the-pack (#174).
- Student attendance at football and basketball games is noticeably down since the Big Sky era; peaks for football attendance occurred when the Vandals dominated the Big Sky; basketball attendance peaked in the early 1980’s when the Big Sky Vandals went to the NCAA and NIT tournaments³.

Small Changes Yield Big Savings

Small curricular and bureaucratic changes can yield big savings over time. There are several examples spread out over many academic units, but they are typically overlooked because the annual savings are not large. However, when you look at the savings over a ten year period, it’s millions of dollars. Here is one real and one hypothetical example:

1. The College of Engineering is in the process of merging two relatively small departments, Chemical Engineering and Materials Science and Engineering, into a single department. The final configuration is, as yet, unsettled, so actual savings may vary, but minimum and maximum savings can be predicted. The results?
 - Elimination of a department administrator saves approx. \$100,000 plus fringe benefits, e.g., $\$100,000 \times 1.36 = \$136,000$ per year.
 - Elimination of redundant department staff saves approx. \$24,000 plus fringe benefits, e.g., $\$24,000 \times 1.36 = \$32,640$ per year.
 - Minimum savings over ten years would be $\$32,640 \times 10 = \$326,400$.
 - Maximum savings over ten years would be $(\$136,000 + \$32,640) \times 10 = \$1,686,400$.
2. The university presently keeps three sets of faculty personnel files; one in each of the department, college, and Provost offices. At present, the files are not consistent; materials found in one set may or may not exist in the other two sets. Materials are inserted by various staff and administrative personnel, sometimes signed and dated, otherwise not. A central repository of faculty personnel files (e.g., in the College) has obvious benefit and little disadvantage. The results?
 - A single repository would eliminate redundancy and contradictions.
 - Better controls over insertions would eliminate unsigned, undated documents.
 - Electronic copies of all documents could be created and archived in a secure location.

² Presidents Zinser, Hoover, Pitcher (acting), Michaels (Interim), and White.

³ Note that the record attendance for Vandal basketball (11,800 in 1983) exceeded what it typical for Vandal football today, even though the venue was much smaller.

- Staff would save time by not needing to copy and file redundant materials; savings would be two-thirds of existing expenditures. Assuming every office spends 5% of its time managing personnel files, and the office staff costs \$32,640 per year, and there are 100 offices managing personnel files, that's an annual savings of $\$32,640 \times 100 \times 0.05 \times 0.66 = \$107,712$.
- Savings over ten years would be \$1,077,120.

Conclusion

The University of Idaho has a very poor record of accomplishing large, institutional change, but we have a long and successful history of making minor corrections that serve the needs of the state. Big bold plans have large risks that lead to massive monetary losses, whereas small incremental changes improve productivity and save millions of dollars over a long period of time. Is it wrong to "think small" in times of budget cutbacks and economic uncertainty? Or is it a wise course of action?