

University of Houston Cost Savings Plan Spring 2010

The Legislative Budget Board and the State Comptroller have notified all universities that we should begin processing our appropriation reduction transactions for the current fiscal year. We are required to complete this by August 2010. Per our prior discussion, the following institutional cost savings and efficiencies will be implemented by April 1, 2010 so that we can begin realizing the cost savings and efficiencies:

1. Reduce departmental business and travel expenditures by 10 percent. Departmental budgets will be reduced by an amount equal to these savings. Actual savings may be taken in other activities at the discretion of department management.
2. Eliminate communication allowances for employees except for certain mission critical functions. Departmental budgets will be reduced by an amount equal to these savings. Savings not met by the required allowance reductions will be taken in other activities.
3. Reduce department overtime payments by 40 percent. Comp-time should be substituted for payments whenever possible. Departmental budgets will be reduced by an amount equal to these savings. Actual savings may be taken in other activities at the discretion of department management.
4. Purchase all office supplies from Today's Business Solutions, which has the university master contract for office supply purchases. Today's Business Solutions also provides a rebate to the university, which will be reallocated in the university budget plan.
5. Recycle paper, plastics, aluminum and cardboard as part of the university's recycling initiative. Recycling bins will be provided to the departments as part of this program. The recycling program generates rebates, which will be reallocated in the university budget plan.
6. Reduce consumption and purchasing of printer and copy paper.
7. Begin preparing for the increased auxiliary administrative charge, which will increase from 3.7 percent to 6 percent beginning September 1, 2010.
8. Turn off computer monitors, printers and lights in offices nightly to reduce electricity expense. Longer term, the computer replacement cycle should be lengthened (perhaps from 3 to 5 years).
9. A furlough program will be established for FY2010. A one-day mandatory furlough for all faculty and staff will be put in place for late spring. A voluntary furlough program of up to three days will be put in place for staff during the summer. The furlough time will be reported under earning code 422 for hourly employees and code 423 for monthly employees. Savings from the mandatory furlough will be gathered centrally; savings from voluntary furloughs will be shared between central and departmental resources.

There will be additional cost-saving and efficiencies that will be reviewed and implemented in the coming months. Some of these may include single-source purchasing contracts and equipment consolidations. As we are ready to phase in these initiatives, further communication will be distributed. Additional ideas for cost savings are always welcome.