UNM IT Cost Containment/Process Improvement Initiative: Summary of Recommendations for FY12

Cost Containment/Revenue Generation Strategy	Overview	FY 12 Reduction Amount
Strategy #1 - Main campus purchases of computers and servers <$5k, computer hardware >$5k, and computer supplies	Negotiate greater purchasing discounts with vendors, further leveraging those discounts we already receive, and drive purchases through LoboMart. Then, a 10% surcharge will be placed on computer-related purchases from designated funding sources, which will be captured centrally. Direct cost increases to units will be mitigated by negotiated pricing reductions. Applies to main campus purchases on unrestricted accounts. Excludes HSC, Branches, and Agency accounts.	Computers & Servers: Central IT = $33,629 Main Campus = $252,371 Hardware: Central IT = $30,400 Main Campus = $129,600 Supplies: Central IT = $10,883 Main Campus = $115,118 **Total = $572,000**
Strategy #2 – Main Campus purchases of software	Similar to Strategy #1, the recommendation is to negotiate greater purchasing discounts with vendors on software, further leveraging those discounts we already receive, and drive purchases through LoboMart. Then, a 10% surcharge will be placed on purchases from designated funding sources, which will be captured centrally. Direct cost increases to units will be mitigated by negotiated pricing reductions. Applies to main campus purchases on unrestricted accounts. Excludes HSC, Branches and Agency accounts.	Central IT = $93,000 Main Campus = $97,000 **Total = $190,000**
Strategy #3 – Reduction of budgets allocated to IT-related training and travel	Reduce Central IT's training and travel budget – currently at $325,000 for FY11 – by $150,000 for FY12. Resources spent on IT-related training and travel by other units on Main Campus should also be carefully reviewed for possible reduction. A strategy for more effective coordination of IT-related training and travel should be developed during FY12 for implementation in FY13.	Central IT = $150,000 Main Campus TBD **Total = $150,000**
Strategy #4 – University-wide cell phone stipend program	Eliminate UNM-provided cell phones by moving to a stipend-only cell-phone program. This recommendation includes HSC and Branches.	**Total = $200,000**

Cost Containment/Revenue Generation Strategy	Overview	Amount
Strategy #5 – Reduction of Central IT dues and memberships	Reduce Central IT's line item for dues and memberships for FY12. Dues for National Lambda Rail of $350,000 should not be cut, due to connection to the research mission.	**Total = $25,000**
Strategy #6 – Reduction of Central IT "miscellaneous" expenses.	Reduce Central IT's budget for miscellaneous expenses for FY12. Amount recommended correlates with the amount already set aside by the CIO for potential FY12 budget reductions.	**Total = $275,000**
Strategy #7 – Reduction of Central IT marketing budget	Reduce Central IT's budget for marketing for FY12. The recommended reduction would not include reducing staff.	**Total = $50,000**
Strategy #8 – Reduction of IT-related contract and professional services	Reduce both Central IT and Main Campus expenditures for external IT-related consulting and services (i.e. web design, application consulting and development, hosting). While a direct reduction to the Central IT budget can be made to accomplish a portion of this, it is important to note that capturing the savings from Main Campus will require additional due diligence. Excludes HSC, Branches and Agency accounts.	Central IT = $75,000 Main Campus = $25,000 **Total = $100,000**
Strategy #9 – Reduction in Central IT and Main Campus IT staffing through attrition and more thorough evaluation of hiring pause exception requests	Identify and review all Central IT and Main Campus E-class jobs that become vacant during FY12. Savings will be achieved through decisions to hold certain positions open for longer periods of time; to redefine duties moving toward a service center model; or to not fill certain positions at all. Excludes HSC, Branches and Agency accounts.	Central IT = $224,000 Main Campus = $176,000 **Total = $400,000**
Strategy #10 – Redeployment of Central IT revenue	Redeploy some Central IT-generated revenues to address UNM's budget shortfall for FY12. Central IT at UNM is defined as an "internal services organization," meaning that it has and generates revenue to cover operational and capital costs from both internal and external sources. Central IT would manage this redeployment with a commitment to protecting the IT services and functions that serve the core missions of the University.	**Total = $1,000,000**
Total Recommended IT-related Reductions for FY12		**$2,962,000**