

Houston Community College Cost-Saving and Revenue-Generating Program

HCC's Cost-Saving and Revenue-Generating Program is exemplary in achieving cost efficiencies and generating revenue in a Texas community college.

Description of Cost-Efficiency Efforts

The program has been nominated for the THECB Star Award for Excellence in Cost Efficiency Efforts and has identified two goals it was intended to accomplish:

- Furthering the continual increase of the efficient use of resources and
- Encouraging an entrepreneurial approach within the college community to generating revenue opportunities that align with the college's vision, mission, and values.

The Cost-Savings Program has spanned four years to date. In the first year alone, a total of 563 unique suggestions were submitted to the online anonymous Suggestion Box created by the Chancellor. The Chancellor retained a consultant to aggregate the data collected into a specially created database to provide the administration guidance in analyzing the information and devised a format to display and use the information. Following that process, the Chancellor's Cabinet prioritized the recommendations with the highest potential for savings, and a lead senior officer was assigned responsibility for progress on each of the top strategies selected—both direct cost-savings opportunities and indirect savings obtained through process improvements—and created a team to implement the effort. Revenue-generating ideas were also identified. The Chancellor regularly monitored progress in achieving the outcomes, and appropriate experts helped determine the value of the efficiencies realized. Records were kept; college processes were changed as required or determined; reports were monitored, and the college community was informed through periodic communications. The same methodology has been followed annually since 2007 with an amazing record of savings and revenue generated. All databases from 2007, 2008, 2009, and 2010 are maintained, updated, and retained for research and review purposes. All aggregated studies are available for review and study. Spreadsheets documenting one-time and on-going savings and one-time and on-going revenue generated are available for review and assessment on request.

Summary of Cost Efficiency Efforts' Intended Accomplishments

This initiative has had a major impact on HCC, changing in many ways the attitudes about HCC's vision of being a "relevant" and "essential" institution. What began as a way to reach out to HCC as the Chancellor began her tenure over four years ago, the program is now an integral effort the entire college community is annually invited to engage in. Open invitations are electronically sent for employees to submit their best ideas about how to save resources and how to increase revenue. Through her electronic reports to the college, everyone can see how they can each contribute to the efficient operation of HCC and be responsible for on-going and greater efficiencies. At the same time, the institution has improved operations by doing such

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things as streamlining internal processes, reducing paper flow, and simplifying spend strategies based on suggestions at point of execution. The Chancellor herself has guided and managed the execution of the program from its conception through its initiation and implementation to its monitoring, tracking and data collection. Because this has been a program managed by the CEO, it sends the message that everyone's ideas can make a difference; because it is assigned to senior administrators to oversee in terms of implementing the best ideas culled from the database, it says employees' ideas *are* listened to and valued.

Date Effort Began

In September 2007, the Chancellor had a database created and opened an anonymous online Suggestion Box for one month to all HCC employees to enable them to submit any and all suggestions for cost reductions and/or sources of new revenue. This program has been repeated annually since then with the exception of the year Hurricane Ike occurred and disrupted college operations. To accommodate that interruption, the Suggestion Box was reopened during January to enable HCC employees adequate time to submit suggestions. Thus, the program has operated in 2007, 2008, 2009, and 2010 with data collected, categorized and prioritized; top ideas assigned, monitored and tracked; and savings and revenue collected and reported on a master spreadsheet.

Demonstration of the Effectiveness of the Cost Efficiency Attained

A *Cost Savings Report* spreadsheet was created that tracks on-going savings (ORS) and one-time savings (OTS) and on-going revenue (OGR) and one-time revenue (OTR) from 2007-2010 in each of the selected Top Ideas along with "Other Ideas" categories. The Report also tracks the running amounts and demonstrates where restricted funds, including grants but excluding financial aid, have been secured. In addition, the Report summarizes the Total Savings and Total Revenue for all four phases of the program and reflects the percentage of savings and revenues realized based on the college's Monthly Financials for the same period. Thus HCC is able to demonstrate the program has been operating for four successive years, monitoring and tracking its efficiencies, and working across the institution to improve processes and find ways to generate new resources wherever and whenever possible.

Estimated Cost Savings and Revenue Generated

The following four charts capture the cumulative nature of the program with each year accruing ongoing savings and revenue from some projects in the previous years. The fifth chart summarizes the total cost savings and revenue generated from the program.

- Total Cost Savings since inception to date \$20,316,263
- Total Revenue Generated since inception to date \$102,917,575

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	2007-08	
	Total Savings	Total Revenue
2007-08	\$ 889,465	\$ 14,610,203
2008-09		
Total	\$ 889,465	\$ 14,610,203
	Expenditure YTD Actuals Thru Aug. 31, 2008	Revenue YTD Actuals Thru Aug. 31, 2008
% Based on Monthly Financials	0.40%	6.47%
	\$ 220,252,711	\$ 225,732,613

	2008-09	
	Total Savings	Total Revenue
	\$ 709,629	\$ 19,194,930
	\$ 1,968,187	\$ 1,993,883
	\$ 2,677,816	\$ 21,188,813
	Expenditure YTD Actuals Thru Aug. 31, 2009	Revenue YTD Actuals Thru Aug. 31, 2009
	1.11%	9.00%
	\$ 241,220,205	\$ 235,389,640

	2009-10	
	Total Savings	Total Revenue
2007-08	\$ 709,629	\$ 23,697,191
2008-09	\$ 5,564,151	\$ 11,405,978
2009-10	\$ 1,539,862	\$ 1,098,091
2010-11		
Total	\$ 7,813,642	\$ 36,201,260
	Expenditure YTD Actuals Thru April 30, 2010	Revenue YTD Actuals Thru April 30, 2010
% Based on Monthly Financials	3.02%	14.00%
	\$ 258,692,574	\$ 258,534,102

	2010-11	
	Total Savings	Total Revenue
	\$ 709,629	\$ 23,697,191
	\$ 3,301,449	\$ 4,807,508
	\$ 71,262	\$ 361,000
	\$ 4,853,000	\$ 2,051,600
	\$ 8,935,340	\$ 30,917,299
	Expenditure YTD Adj. Bud. Thru June 30, 2011	Revenue YTD Adj. Bud. Thru June 30, 2011
	1.80%	11.37%
	\$ 269,501,439	\$ 271,856,058

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	Summary 2007-2011	
	Total Savings	Total Revenue
2007-08	\$ 3,018,352	\$ 81,199,515
2008-09	\$ 10,833,787	\$ 18,207,369
2009-10	\$ 1,611,124	\$ 1,459,091
2010-11	\$ 4,853,000	\$ 2,051,600
Total	\$ 20,316,263	\$ 102,917,575

Documents Available to Support Monitoring and Evaluation of Progress

- Cost Savings Invitations to HCC Employees: 2007, 2008, 2009, 2010
- Online Suggestion Box: September 2007, 2008, 2009, 2010
- EMPLOYEE SURVEY FOR COST CONTROL AND REVENUE GENERATING SUGGESTIONS
The Master List (Aggregated Database) is formatted in the following manner:
 - Outline of the Process for Compiling the Report
 - Summary of Recommendations Separated into Categories
 - Items Recommended for Immediate Review and Consideration
 - Items Recommended for Review and Consideration within 6 to 12 Mos.
 - Items Recommended for No Action (if applicable)
 - Master List of All Recommendations for each year
 - 2007-08 yielded 563 individual response fields
 - 2008-09 yielded 150 individual response fields
 - 2009-10 yielded 230 individual response fields
 - 2010-11 yielded 390 individual response fields
- Cost Savings Updates to HCC Employees: 2007, 2008, 2009, 2010
- ***Cost Savings Report***, 05/23/11, Microsoft Excel, 2007-2010 (pages 7-10)
 - Because this 4-page spreadsheet best demonstrates the savings and revenue generated through the 4-year program, it is attached as part of the 10-page STAR Award nomination application.

Top Cost Savings Ideas

The four lists of ideas are provided as an indication of the range selected over the four-year period. The details behind each idea, the Unit of Primary Responsibility and team members along with progress were monitored at monthly Cabinet meetings.

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Top Ideas for 2007-08

- 1 Class Schedules and Class Size
- 2 Sharing Space
- 3 Recruitment (VCT courses)
- 4 Disability Services (Interpreters)
- 5 Mailing & Postage
- 6 Printing & Copying
- 7 Grants Writing
- 8 Disability Services (Captioning staff)
- 9 Unused IT Projects
- 10 Financial Aid Process
- 11 Time Entry Process

Top Ideas for 2008-09

- 1 Class Schedules
- 2 Utilities (Lights and HVAC)
- 3 Equipment Computer Purchasing Process
- 4 Inventory Process
- 5 Art Exhibition
- 6 Approvals Process & Electronic Systems
- 7 Program Specific – Review
- 8 Department Chair Review
- 9 Time Entry Process
- 10 Grants Management
- 11 Printing & Copying
- 12 Recycling

Top Ideas for 2009-10

- 1 Staffing Audit to Assess Deployment of Human Resources
- 2 Reorganization for Consolidation and Elimination of Duplication
- 3 Creation of Formalized Process Improvement Effort
- 4 Creation of Personalized Web Portal and Electronic Forms for Employment Paperwork
- 5 Implementation of On-line Meeting Software to Improve Effectiveness and Efficiency
- 6 Use of On-Line Class Attendance Rosters and Semester Grades
- 7 Commitment to a Comprehensive Recycling Program
- 8 Creation of New Degrees and Certificates Responsive to New Economy and Demography
- 9 Creation of a Common Inventory of Courses
- 10 Review/Standardize Grants Compensation, Means and Procedures to Incentivize Fund Raising
- 11 Reduction of Personal Printers

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Top Ideas for 2010-11

- 1 Review of Printing Systems and Practices and Information Technology Policies
- 2 Consolidation of Campuses in the Summer
- 3 Creation of a Common Inventory of Courses
- 4 Distance Education Efficiencies—(online mini semesters classes)
- 5 Dual Credit and P-16
- 6 General Ops: minimum enrollments, align labs and libraries, consolidate of administrative areas
- 7 Advertising/Operations—sell advertising space
- 8 Online Services—add HCC store to website
- 9 Create a Top 10 List of Things We Can Do to Reduce Costs drawn from Suggestion Box
- 10 Generate a Return On Investment/Impact Report on the Chancellor's Innovation Fund Awards
- 11 Generate a general internal report about the value and impact of the Energy Savings project
- 12 Conduct with external consultant a staffing audit for: Counselor/Advising; IT; Clerical

Potential for Use at Institutions (across the State and Elsewhere) to Reduce Costs

This program can be replicated statewide. At least one Texas community college (Alamo) and one non-Texas community college (Salt Lake City) have instituted a version of this program based on the data and outcomes shared with their administrations. In addition, the Chancellor was asked to present this program at TCCTA in January 2011 (but was unavailable) and has been asked to co-present at ACCT with the Associate Director of the Institute for Higher Education Management in the School of Education at the University of Pittsburgh.