

## Higher Education Shared Services Request for Appropriation

**Request:** \$3,000,000 Education Fund, one-time

**Purpose:** The Utah higher education system currently includes eight colleges and universities with legislation proposed to add an additional eight technical colleges. While higher education institutions currently collaborate in joint procurements for IT and other goods and services, an opportunity exists to improve processes and reduce costs through the sharing of internal services. Common shared internal business services include such areas as information technology, human resource management, budget and finance, purchasing and procurement, and student services. In FY 2019, USHE institutions spent \$407 million on institutional support including central business operations and received more than \$7.8 billion of operating revenues from hospital and clinical operations, research grants, auxiliary operations, state appropriations, and student tuition and fees. Consolidating and sharing institutional support functions could save millions of dollars annually.

To date, an in-depth study has not reviewed higher education operations for shared internal business service efficiencies. Recognizing the complexity and enormity of studying the business processes of sixteen higher education organizations, it is proposed to contract with a consulting firm specializing in shared service administration. An independent and external organization is recommended for such a study to prevent bias and to have the expertise needed to assess complex organizational processes.

The request is to use up to \$3 million to contract with a nationally recognized consulting firm to study the internal business processes at all of the state's universities, colleges, and technical colleges.

**Itemized Budget:** Current Expenses: Professional Contracts, \$3,000,000

**Outcome:** A detailed report and change management strategy to foster process improvement within all sixteen higher education entities identifying specific administrative services that institutions may efficiently share, identifying realistic cost savings, and proposing a strategy and next steps to accomplish shared services.

**Performance Measures:** The use of the funds would entail two significant milestones: 1. The selection of a qualified firm and the awarding of a contract and 2. the receipt of a final report and change management strategy. It is proposed that the system office report to the Higher Education Appropriations Subcommittee on these milestones.