

Examining and realigning auxiliary services for efficiency

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January 8, 2021

Explanation of the Project

Campuses have been forced to change how they operate due to shifts in enrollment, pandemic impacts, or other factors. Nevertheless, the overall campus experience is still expected to be maintained at a high level.

Non-academic ‘auxiliary’ services are a critical factor in the campus experience and must be maintained at a high level in order to remain competitive.

This project aims to evaluate how auxiliary services can be adjusted in order to maintain high service levels with reduced funds.

What is an ASC?

24 SUNY campuses have an Auxiliary Service Corporation (ASC)

An ASC is a non-profit, tax-exempt corporation that is governed by a contract with the campus and representation on the ASC's board of directors

The ASC Board consists of faculty, students, officers of campus administration, and alumni; students must be between 1/3 and 1/2 of the voting membership on the ASC Board

An ASC may establish one or more Affiliates as permitted by law, typically a tax-exempt non-profit corporation unless otherwise determined by ASC Board

ASCs may provide the following on an exclusive basis:

Food service, including concessions and administering pouring and similar rights

Bookstores, campus stores, and computer stores

Amusements, vending, and laundry operations

Student/faculty-related services such as ID card operations, cable television, banking services, telecommunication services, transportation or bus services, operation and management services for special events, hair salons and nail shops

Administrative support (payroll, purchasing, etc.) to campus-related entities, and other entities related to the campus, including student government associations

Student housing services through an Affiliate of the ASC

Ownership of real property for use in ASC operations to carry out its missions and services

Why have a separate legal entity? -Flexibility.

Procurement

Hiring and terms of employment

Property management

Provides campus with a source of unrestricted funding (grants, program funding)

Liability is also a consideration

Campus Auxiliary Services @ Geneseo

Self-contained corporation:

Board
Administration
Restaurants / cafes / catering
HR / payroll / benefits
Business Office
Facilities
Marketing
Procurement
Information Technology

Campus support: Building management, IT

External support: audit, legal, investment,
banking, consortium buying, etc.

Revenue sources

Meal plans
Retail sales
Investments
Commissions (vending, bookstore)
Laundry
Fiscal agency
Refuse & Recycling

Funds provided to campus

CAS provided

\$617K in program funds

\$309K in rent

\$26K in catering grants

\$10K student employee scholarships

Vendor provided

\$5K grants from B&N

\$5K donation from vending

\$10K+ from Coca-Cola



Services to campus

‘Intangibles’ that enhance campus experience

Dining program
Catering
Vending
Laundry
Vending
Bookstore
Cable TV
Transportation

Fiscal agency
Refuse & Recycling
ID Cards
Student employment
Marketing & design
‘Microfridge’ rentals

Inefficiencies

Commodity vs. value-added service; what is specialized / unique to ASC?

Commodity

Building maintenance
Housekeeping
Information Technology
Human Resources

Value-add

Equipment maintenance
Refuse & recycling*
Restaurants and Cafes
Marketing*
Property management
Contracts
Fiscal agent

Why it matters, overlap

Commodity services

Building maintenance (rent paid to state)
Housekeeping (rent paid to state)
Information Technology (SLA with CIT)
Human Resources

Value-add services

Equipment maintenance (unique skillset)
Information Technology (specialized systems)
Refuse & recycling * (cost recovery)
Restaurants and Cafes (unique skillset)
Marketing * (fee for service ability)
Property management
Contracts
Fiscal agent

Consequences of overlap

Reduced revenues for program funding, grants, etc.

Value-add services get deprioritized to 'keep lights on'; service & experience suffers

Why it matters, examples

Economies of scale

Example – IT support costs

Redundancy for critical functions

Example – Payroll administrator contracting Covid

Challenges

Limits on the use of state resources in support of non state-owned properties, or separate entities

Limits imposed through existing contracts

Resistance to change

To be continued...

This project is in an evaluation/discovery phase. The extent to which changes can be made will be determined through additional investigation and discussions with campus leaders.