

**Monitoring Report to the
Middle States Commission on Higher Education**

from

UNIVERSITY OF PUERTO RICO AT MAYAGUEZ

Mayaguez, PR 00681



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March 16, 2020

Monitoring Report

To acknowledge receipt of the supplemental information report. To reaffirm accreditation because the institution is now in compliance with Standard VI (Planning, Resources, and Institutional Improvement) and Requirement of Affiliation 11. To request a monitoring report due, March 16, 2020, in lieu of the show cause report due September 1, 2019, demonstrating further evidence of sustainability of implemented corrective measures, including but not limited to: (1) improvements in the institution's annual closing processes and implementation of effective monitoring controls over financial information (Standard VI); (2) the development of multi-year financial plans for the institution that produce balanced budgets, including appropriate revenue assumptions (Standard VI); (3) management of financial reporting that provides for reliable financial data at the institutional level (Standard VI); (4) submission of the 2019 annual audits (Standard VI and Requirement of Affiliation 11); and (5) the planning and implementation of restructuring for sustainability (Standard VI). To note that a teach-out plan will no longer be required. To direct a follow-up team visit following submission of the monitoring report. The next evaluation visit is scheduled for 2024-2025.

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INTRODUCTION

The University of Puerto Rico at Mayaguez submits this Monitoring Report as requested by the Middle States Commission on Higher Education (MSCHE) due on March 16, 2020, and which several parts were prepared by Central Administration. The report addresses the Commission's concerns on Requirement of Affiliation 11 and Standard 6-Planning, Resources, and Institutional Improvement.

MSCHE Request for Follow-Up to UPR at Mayaguez

To acknowledge receipt of the supplemental information report. To reaffirm accreditation because the institution is now in compliance with Standard VI (Planning, Resources, and Institutional Improvement) and Requirement of Affiliation 11. To request a monitoring report due, March 16, 2020, in lieu of the show cause report due September 1, 2019, demonstrating further evidence of sustainability of implemented corrective measures, including but not limited to: (1) improvements in the institution's annual closing processes and implementation of effective monitoring controls over financial information (Standard VI); (2) the development of multi-year financial plans for the institution that produce balanced budgets, including appropriate revenue assumptions (Standard VI); (3) management of financial reporting that provides for reliable financial data at the institutional level (Standard VI); (4) submission of the 2019 annual audits (Standard VI and Requirement of Affiliation 11); and (5) the planning and implementation of restructuring for sustainability (Standard VI). To note that a teach-out plan will no longer be required. To direct a follow-up team visit following submission of the monitoring report. The next evaluation visit is scheduled for 2024-2025.

UPR Context

The University of Puerto Rico (UPR) System, a multi-campus, state-supported institution of higher education, is licensed by the Puerto Rico Council on Education (Certification PRCE 2018-4641) (Appendix 1). A Governing Board constituted by 14 members oversees the system. It is composed of two students (elected), two faculty members (elected), 8 citizens from the community appointed by the Governor, and two ex officio members (the Secretary of Education and a representative of the Financial Advisory Authority and Fiscal Agency known as FAFAA). The US Congress as part of the government debt restructuring and economic development process mandated by the *Puerto Rico Oversight, Management, and Economic Stability Act* (PROMESA) enacts FAFAA representation in 2016. On July 7, 2017, the Governing Board elected Walter Alomar, Esq., as President, and Zoraida Buxó, Esq., as Vice President (Certification 1, 2017-2018). On July 3, 2018, the Board appointed Dr. Jorge Haddock President of the University of Puerto Rico. Dr. Haddock assumed its position on September 4, 2018 (Certification 1, 2018-2019, UPR Governing Board). Appendix 2 depicts the UPR organizational structure.

Appendix 3 contains the Related Entities Certification issued by the UPR Governing Board for the UPR Mayaguez. It recognizes the Commission's compliance requirements and ensures that responsibilities of the UPR Governing Board are fulfilled.

The President is the Chief Executive Officer of the UPR System appointed by the Governing Board for an indefinite term. He presides over the University Board, which is composed of the eleven campus chancellors, faculty representatives of each campus academic senate, student representatives, the Central Administration Executive Vice President and the directors of the Finance, Planning and Development, and Budget Offices. Law 1 of 1966, as amended, and the *UPR General Bylaws*, as amended, mandate the structure of the university and its units.

UPRM’s Institutional Context

The University of Puerto Rico at Mayaguez (UPRM) is one of the eleven campuses of the University of Puerto Rico (UPR). Each campus is headed by a Chancellor who presides over the Academic Senate and the Administrative Board. The Chancellor was appointed on July 1, 2019. See Appendix 4- UPRM’s organizational structure.

Currently, UPRM has 12,099 undergraduate and 855 graduate students. Of the 12,099 undergraduate students, 92.3% are full time. The graduate student population also has a high percentage of full-time students, 91.4%.

For the 2019-2020 academic year, we began the semester with **541** docents ascribed to UPRM which is 39 less compared to the 2018-2019 academic year. It is important to clarify that the docents at UPRM include 30 guidance counselors and librarians. This leads to 511 professors. Of these 511 professors, 24 are FTE’s dedicated to administrative positions therefore there are 487 professors dedicated to teaching and research at UPRM. EEA also has 91 professors and SEA has 32 professors for a total of 123 additional professors adding up to 665 professors in teaching, research, divulgation within the community, counseling, and the library. The university has a total of 1,603 non-docent personnel:

| Employee Category | CID | EEA | PEAN | RUM | SEA | Grand Total |
|--------------------------|------------|------------|-------------|-------------|------------|--------------------|
| Administrative Docent | | 6 | | 86 | | 92 |
| Divulgation Docent | 2 | | 5 | | 142 | 149 |
| Teaching Docent | | 2 | | 450 | | 452 |
| Research Docent | 10 | 27 | | 12 | | 49 |
| Non teaching personnel | 88 | 250 | 24 | 1065 | 176 | 1603 |
| Grand Total | 100 | 285 | 29 | 1613 | 318 | 2345 |

Our retention cohort for 2018 is 89.17% and the 2011 graduation cohort (the most recent reported at 50%) is 54.51%.

UPRM has a wide and diverse academic offer which includes 104 academic programs divided as: Fifty-four undergraduate programs, 42 master’s programs and 8 PhD, divided into four faculties: Business Administration (with seven undergraduate and four graduates), Agricultural Sciences

(with eleven undergraduate and 9 graduate), Arts and Sciences (27 undergraduate programs, 13 master programs, and two PhD), and Engineering (nine undergraduate programs, 16 master programs, and six PhD's).

UPRM's academic excellence has been certified and ratified consistently by several accreditation agencies. UPRM counts with an institutional MSCHE accreditation, while the Engineering Programs are accredited by the Accreditation for Engineering and Technology (ABET), the School of Business Administration is accredited by the Accreditation Council for Business Schools and Programs (ACBSP), the Chemistry Programs are also accredited by the American Chemical Society, the teacher preparation program is accredited by the Council for the Accreditation of Educator Preparation (CAEP) and the National League of Nursing (NLN) accredits our Nursing program. It is important to highlight that CAEP accreditation was just granted and all teaching programs were given great reviews. UPRM teacher preparation program is the most unique on the island because the institution does not have a School of Education but a teacher preparation program that is content-based, meaning that to be certified by the program, the student needs to complete a Bachelor's degree in a knowledge area related to the specialization of the certification, guaranteeing the teachers have deep knowledge in the area they will be teaching. The Program, housed in the Deanship of Academic Affairs, is highly recognized since over 95% of the students pass the exams, are certified, and are recruited on the Island and the Mainland.

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| MSCHE Concern 1: Improvements in the institution's annual closing processes and implementation of effective monitoring controls over financial information (Standard VI) |
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Actions and Initiatives from Central Administration

Pursuant to the requirements of 34 CFR § 668.23- Compliance audits and audited financial statements, the University is current with its submission of compliance and audited financial statements for fiscal year 2018. Meanwhile, the University is continuously taking further proactive actions to shorten its annual financial reporting time-to-issuance. Consequently, the potential impact of tardy reporting has diminished and management's ability to make assessments and decisions based on better information and sound business practices has increased.

The University has continued to employ the following actions geared towards improved timeliness over financial reporting:

- Prepared a timeline for key milestones and monitoring of audit progress.
- Identified human, financial, and technological resources necessary to enable solutions focused approach and smooth progress of the process.
- Hired professional services as an aid to manage, analyze, and process financial and qualitative information necessary for audit procedures.
- Hold regular status meetings with the Finance Office Directors of all of the campuses to monitor progress, roadblocks, and find alternative courses of action.

- Placed permanent financial consultants at the three main campuses of the University to prompt timely resolution of issues, in face-to-face interaction.
- Maintained regular and close communication between management, external auditors, internal auditors, component units, and consultants to seek a leaner overall process.

Complying with the submission of the annual financial statements is a priority, that is why the University has kept the contract with a local financial consulting services firm to assist in the books closing process, to perform pre-audit document assessment, analysis, and processing, and to serve as an audit support aid on behalf of management. Other smaller firms have also been rehired to assist in managing the functional and technical matters embedded within the audit process. A strategic and tactical approach in the usage of the University's Internal Audit Office is also in place in order to assist the external auditors in their procedures to improve the audit process. As a result, a contractually agreed sum of up to 800 hours of the external audit budget is been used by the Internal Audit Office to augment efficiencies built upon personnel skills and knowledge of the core accounting system and University processes.

Moreover, the University began a recurring process to collect and validate financial data aimed at producing monthly reporting that assists management in understanding performance metrics that ultimately enhance its ability to measure financial accounting productivity, performance, and financial reporting. Some of the reports that are being monthly produced are Cash Flow Statements, Liquidity Reporting, and Budget to Actual Reports. To this end, an external firm has been supporting the University over the last semester in matters related to the gathering, processing, and developing of financial models that summarize this information. Most recently, the University has hired one additional employee whose role is to transition and complete the knowledge transfer of the above-mentioned firm to internally and systematically produce the financial reporting information needed over the intended pace.

Actions and Initiatives at UPRM

The UPRM is committed to its ultimate goal of achieving timeliness of reporting that complies with a basic characteristic of GASB Statement number 1 "Objectives of Financial Reporting", in which financial reports are available in time to support the decision-making processes.

For these purposes, the UPRM has taken the following actions geared towards improving timeliness over financial reporting:

- Comply with calendar established by UPR Central Administration for financial and federal auditing (See Appendix 5).
- Identify human, financial, and technological resources necessary to enable a solution focused in approach and smooth progress of the process.
- Hold regular weekly status meetings with the Finance Office Supervisors to monitor progress, roadblocks and alternative courses of action.

- Maintain close communication between management, external auditors, internal auditors, component units and consultants to seek a leaner overall process.

During the closing of Fiscal Year 2019, the tasks established in the Fiscal Closing Calendar were fulfilled in the required time. The factors that helped in the compliance of those tasks were communication, continuous monitoring and the commitment of the employees of the Mayagüez Campus in charge of the different areas. All of these actions allowed us to finish the fiscal closing process in the established time.

UPRM management and employees recognize the importance of having certified financial statements in the established time. Doing this task in time permits making decisions based on the fiscal reality and therefore it benefits the University community in general.

MSCHE Concern 2: The development of multi-year financial plans for the institution that produce balanced budgets, including appropriate revenue assumptions (Standard VI)

UPRM received \$150,630,137.00, of which \$122,714,749.00 was allocated for the main campus where the academic programs reside and \$14,876,819.00 for the Agricultural Extension Service and \$13,038,569.00 for the Agricultural Experimental Station for the 2019-2020 academic year. The budget for the main campus which was distributed amongst the different deanships in consultation with each dean. The deans' petitions were based on the 2012-2020 strategic plan and focused on providing the best quality of education for our students. Once the deans discussed and agreed, the Budget was approved by the Administrative Board and certified as the 19-20-003 document: Official Budget for the 2019-2020 school year (See Appendix 6). It is important to highlight that UPRM has always had balanced budgets and we are very proud of this goal.

The following table shows the 2019-2020 budget internal distributed among UPRM units.

| UNIT | BUDGET | TOTAL |
|-------------------------------------|-----------------|-------------------------|
| Research and Development Center | \$1,207,186.00 | |
| Chancellor's Office | \$5,894,440.00 | |
| General Accounts | \$12,446,067.00 | |
| Deanship of Administration | \$16,348,679.00 | |
| Deanship of Academic Affairs | \$7,471,746.00 | |
| Deanship of Students | \$4,219,358.00 | |
| Faculty of Arts and Sciences | \$40,743,231.00 | |
| Faculty of Business Administration | \$3,930,335.00 | |
| Faculty of Engineering | \$23,901,410.00 | |
| Faculty of Agricultural Sciences | \$6,552,296.00 | |
| Sub-Total | | \$122,714,749.00 |
| Agricultural Extension Service | \$14,876,819.00 | |
| Agricultural Experimental Station | \$13,038,569.00 | |
| TOTAL- Recurring Budget UPRM | | \$150,630,137.00 |

EEA and SEA are part of the University of Puerto Rico dedicated to services to the community and receive these funds which are not academic and not included in this budget process.

The following table shows the multi-year financial plans for the UPRM main campus. It portrays what our institution needs in order to operate, in other words, what is needed to attend to the course demands and services for the students we serve. The projection is based on the Central Administration Budget Office.

The following table shows the impact of the budget assigned to UPRM if Central Administration does not assign additional funds to complete the needs of funds at our institution. At this moment, Central Administration is awaiting response from the Board of Fiscal Supervision which is analyzing the Revised Fiscal Plan submitted by the Government of Puerto Rico (See Appendix 7). The revision requests additional funds for capital improvements and better flexibility of the use of various restricted funds.



University of Puerto Rico

Consolidated Budget without New Assignments
Fiscal Years 2019-2020 and 2021-2022 (Projected)



Unit: Mayaguez Campus

| Budget by Income Type | Financial Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2019-2020 | 2020-2021 P | 2021-2022 P | 2022-2023 P |
| A. Total Income from General Fund | | | | |
| Institutional: | | | | |
| Tuition, Fees, and Related Charges (not including technology fee) ¹ | \$ 23,926,989 | \$ 46,029,619 | \$ 47,626,819 | \$ 49,369,219 |
| Technology Fee | 640,700 | 640,700 | 640,700 | 640,700 |
| Non-recurring Reserve | | | | |
| Indirect Costs (Research Development and Support Fund) | 2,321,889 | | | |
| Grants and Economic Support for Graduate Students | | | | |
| State Contributions: | | | | |
| PR Government Contributions | 95,825,171 | 64,333,056 | 60,873,210 | 57,349,554 |
| Other PR Government Contributions | | | | |
| Total Income from General Fund | 122,714,749 | 111,003,375 | 109,140,729 | 107,359,473 |
| B. Total Funds from Other Resources | | | | |
| Economies of previous years | 5,066,770 | 129,907 | | |
| Central Admin. Transf | 893,949 | | | |
| Total Funds from Other Resources | 5,960,719 | 129,907 | - | - |
| C. Projected Income from New Initiatives: | | | | |
| Projected Income from Public and Private Sectors | | | | |
| Summer Course Offering | 1,354,000 | 1,354,000 | 1,354,000 | 1,354,000 |
| Philanthropy Funds (mostly use restricted) | 570,000 | 570,000 | 570,000 | 570,000 |
| Non-traditional Certifications and Course Offerings | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Projected Income from New Initiatives | 2,024,000 | 2,024,000 | 2,024,000 | 2,024,000 |
| Total Expected Operational Income | \$ 130,699,468 | \$ 113,157,282 | \$ 111,164,729 | \$ 109,383,473 |
| General Fund Expenses | | | | |
| | | | | |
| A. Recurring Operational Expenses | | | | |
| Payroll: | | | | |
| Faculty Salaries | \$ 49,451,292 | \$ 46,483,958 | \$ 46,128,196 | \$ 45,436,445 |
| Non-teaching staff Salaries | 28,059,134 | 25,625,589 | 25,625,589 | 25,625,589 |
| Other Payroll Payments | 1,141,400 | 1,132,640 | 1,132,640 | 1,132,640 |
| Employer Contributions and Marginal Benefits | 28,711,809 | 27,128,638 | 27,032,405 | 26,943,342 |
| Total Payroll Expenses | 107,363,636 | 100,370,825 | 99,918,830 | 99,138,016 |
| Operational Expenses | | | | |
| Materials and Services | 2,908,451 | 2,826,000 | 1,285,442 | 1,785,000 |
| Maintenance | 875,898 | - | - | - |
| Leasing of Land and Equipment | 149,216 | - | - | - |
| Professional Service Contracts | 522,672 | - | - | - |
| Internet Service and Communications | 22,282 | - | - | - |
| Telephone Service | 229,422 | - | - | - |
| Student Medical Insurance | 1,044,907 | 1,044,907 | 1,044,907 | 1,044,907 |
| Electricity | 7,616,000 | 7,616,000 | 7,616,000 | 6,116,000 |
| Water and Sewage | 1,014,550 | 1,014,550 | 1,014,550 | 1,014,550 |
| Gasoline Supply | 204,238 | - | - | - |
| Solid Waste Collection and Removal | - | - | - | - |
| Information Resources-Library Reference Materials | 1,215,360 | - | - | - |
| Information Resources-Library Acquisitions | - | - | - | - |
| Accommodation, Institutional Projection, Transportation and Meal Allowances | 197,304 | 100,000 | 100,000 | 100,000 |
| Program and Service Accreditation | 51,600 | - | - | - |
| Purchasing and Replacement of Equipment | 939,396 | 185,000 | 185,000 | 185,000 |
| Matching of Funds for Research Projects (includes matching funds) | 614,796 | - | - | - |
| Students Grants and Financial Aid | 2,522,263 | - | - | - |
| Other Operating Expenses (includes reimbursements, indirect costs and Central Admin. Transf) | 3,077,570 | - | - | - |
| Non-recurring budget reserve | 129,907 | - | - | - |
| Total Operational Expenses | 23,335,832 | 12,786,457 | 11,245,899 | 10,245,457 |
| TOTAL EXPENSES (Payroll + Operational Expenses) | \$ 130,699,468 | \$ 113,157,282 | \$ 111,164,729 | \$ 109,383,473 |

The revised fiscal plan requests a reduction of UPR appropriations to level in line with funding of other US public universities and states that “The Government will afford the UPR with additional flexibility with its appropriations. Currently, UPR receives a \$20 million appropriation for Central Government training related services and Seminars. UPR has historically used ~ \$5 million of this appropriation and currently has \$60 million in cash earmarked for these purposes. The Central

Government will continue to provide this appropriation but allow UPR to use the appropriation for other operational needs. The Central Government will also provide capital expenditure support to UPR to free up Special Revenue Fund Capital Expenditure dollars for operational needs” (p. 61).

In the same document states under Capital Expenditures that “Centrally funded maintenance and capital expenditures of the Government (excluding PREPA, PRASA, HTA self-funded capex and one-time transfers) are expected to grow by inflation from a baseline of \$382 million in FY 2020. Of note, FY 2021 Recommended Budget resulting in \$450 million on FY 2021 capital expenditures. Of this FY 2021 amount, ~ \$101 million will be appropriated annually to HTA and UPR, with the remaining ~ \$348 million for use by the government” (Revised Fiscal Plan, p. 78).

The document also states that “UPR’s capital expenditure funds will support, among other projects, several floors of the Molecular Sciences building, building restoration at Rio Piedras and Medical Sciences, and the development and restorations of campus buildings at Mayaguez including residential housing (among others)” (p. 78).

Hence, the above table was created with this premise in mind for UPRM. For UPRM, these budget cuts may result in a significant reduction in capacity. To operate under the projected budget, UPRM will have to prescind of temporary faculty and non-faculty personnel. Currently, temporary faculty personnel serve approximately 6% of the academic offerings. To compensate for this reduction in capacity UPRM will move to widely enforce Certifications 307 and 309 to ensure faculty workload is distributed accordingly to institutional priorities. In addition, UPRM will emphasize on the urgency to reduce the amount of credits in the curricula, setting the goal in achieving curricula of about 15 credits per semester while keeping the quality that has always distinguished UPRM.

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| MSCHE Concern 3: Management of financial reporting that provides for reliable financial data at the institutional level (Standard VI) |
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The UPRM engages and undergoes an annual independent audit to confirm its financial sustainability and the adequacy of its accounting procedures. The Institution uses a fiscal year end date of June 30 to complete its twelve-month accounting period.

The accounting and reporting policies of the University follow the accounting principles generally accepted in the United States of America, as applicable to governmental entities, GASB; the standards established by governmental accounting and financial reporting principles.

Oracle Software Investment Advisory (SIA) is the UPRM Financial Information System. It includes the following applications:

- Accounts Payable – manage and oversee accounts which need to be paid within a specific period of time.
- Fixed Assets – has four main business processes: additions, adjustments, depreciation and retirements. It provides an effective management control and real time visibility to financial results.

- General Ledger – provides tools for effective management control and real time visibility of financial results.
- HRMS – enables the efficient management of workforce data and supports all standard human resources activities for the payroll
- Purchasing – is the formal process of buying goods and services.

The financial system provides a series of previously configured reports using the ORACLE System and grouped by the following categories:

- Account Analysis Report
- Account Hierarchy Report
- Chart of Account Listing
- Account Transaction Register
- General Ledger Report
- Journal Entry Report
- Detailed Trial Balance Report

These reports bring actual, exact and detailed information about the fiscal resources of the University. Each accountant chooses from the system the report that fits the necessity for the analysis he/she is working on. For example, Accounts Payable Office assures that the payments for the suppliers to be done on time and for the amount established in the invoice. General Ledger area verifies that the purchasing, payments, accounts payable and accounts receivable is done in a precise and real way. The system matches the purchase order, invoice, payment, and accounting entry so that all the information is organized for the purposes of auditing and the financial statements preparation.

The reports of our financial system allow the University to gather the information of different fiscal daily operations and at the same time brings the agility to the management of the UPR for the making of decisions. Also, it brings control over the expenses and incomes to fit the budgetary distribution.

The financial information must comply with a series of characteristics such as validity, accuracy, and quality. In order to assure compliance, we analyze and perform periodical evaluations of each one of the Finance Department areas by using the reports mentioned above. The evaluations could be done daily or monthly depending on the tasks required at the Finance Department.

The personnel responsible for each module must verify the correct registration of the data in order to guarantee the quality of the information to provide precise and exact reports. The information provided in these reports generated by the system helps internal and external auditors in the fiscal year closing process and the development of the financial statement preparation.

MSCHE Concern 4: Submission of the 2019 annual audits (Standard VI and Requirement of Affiliation 11)

The University of Puerto Rico commissions and undergoes an annual independent audit of its financial statements and Report on Expenditures of Federal Awards as required by the Uniform Guidance, the latter commonly referred to as Single Audit. Submission of those reports come as a requirement of 34 CFR § 668.23- Compliance audits and audited financial statements, and those of other key stakeholders for the University. These reports, for the fiscal year ended on June 30, 2019, are currently underway and in the representation of our auditors; they are at an advanced stage of the process. Based on this representation, UPR management grounds a reasonable expectation that the audit reports will be ready by March 31, 2020, which is the due date to submit them to the U.S. Department of Education.

MSCHE Concern 5: The planning and implementation of restructuring for sustainability (Standard VI)

UPR Central Administration

The University of Puerto Rico is aiming to implement various initiatives that will aid in its sustainability. The modifications that have been implemented are directed towards improving administrative and academic efficiency.

During Fall 2019, the Vice Presidency of Academic Affairs and Research (VPAAR) completed an assessment of all 270 undergraduate academic programs in the UPR System. Trends of various parameters for the past ten years were examined. These included: percentage of students who applied to the program as the first option, number of new students admitted, number of freshmen enrolled, total number of students enrolled, and retention and graduation rates. Once the assessment was completed, the VPAAR shared the gathered information with the eleven campuses. The next step during this semester is for each unit to identify those programs that could be consolidated, those that need an improvement plan, and those exhibiting best practices that could be modeled elsewhere. At the end of the academic program evaluation, it is expected that each unit takes decisions with the programs in terms of curriculum, teaching methodology, assignment of resources or even closing the program. These decisions will support the achievement of academic efficiency and will help in avoiding redundancy of programs and courses. In addition, the VPAAR has updated and streamlined UPR's guidelines for the development of academic programs. The assessment of graduate academic programs is still ongoing.

On the other hand, an evaluation of budget alignment per academic department was done taking into consideration enrollment and courses during the 2019-2020 academic year. The evaluation

will be facilitated to the Budget Office in Central Administration and the Chancellors so it can be used in the 2020-21 budget assignment and distribution.

In the administrative area, the model for restructuring for sustainability is based on the creation of efficiencies through a lean management operation. For that purpose, evaluating and analyzing administrative processes is necessary. This will help identifying the ones that do not add value or delay the work process. The Institutional Planning Director has been executing the first phase of his work plan for the fiscal year 2019-2020. It is based on the evaluation of processes in the area of student services, research-teaching, institutional support services, and relations with the external community.

During the first phase, an evaluation and analysis of these processes will be carried out. This evaluation and analysis consist on a working methodology that includes the analysis of existing data, focus groups in the impacted areas and review of regulations, policies, and certifications. By the end of fiscal year 2019-2020, structural recommendations and proposals for agility and administrative efficiency are expected to be finished.

For fiscal year 2020-2021, the implementation phase of the recommended measures is expected to begin. Similarly, the goal, in the medium and long term, is to have transformed administrative processes to improve the working conditions of employees and enhance the services offer to students. Another goal is to establish a continuous evaluation process that allows an agile and efficient infrastructure in the University of Puerto Rico. The following are some specific initiatives that have been currently developed and will help UPR to further obtain administrative sustainability:

- implementation of a systemic energy saving policy,
- analysis the procurement process to create efficiencies,
- revision of current paperless policy,
- analysis of human resources processes,
- examination of billing and procurement procedures, and
- creation of an electronic signature policy

The implementation of these initiatives is aimed to create administrative efficiencies and also to reduce the operational costs in two ways. First, the elimination of non-value generating steps and processes will have an impact in a better use of time/energy effort. Secondly, these initiatives are expected to have a direct impact in the reduction of operational costs. For example, reducing the amount of energy expended will have approximately a 2.5% of savings which translates into nearly \$5 million. Similarly, it is anticipated that approximately \$10 million will be saved with the improvement of the procurement process and with the paperless policy that will be revised.

It is important to point out that all of these initiatives are aligned to UPR's Strategic Plan and to the President's Working Plan. Substantive institutional and programmatic changes will be reported

to MSCHE on a timely fashion, according to the commission's *Substantive Change Policy* and *Substantive Change Procedures*.

UPR Mayaguez

At UPRM, we are currently working with a curriculum revision in order to lower the amount of credits without lowering the quality of the programs. The Psychology program lowered their credits from 133 to 121 this academic year. We will continue to work with these revisions for the next two years to reduce costs within our institution. Our expectation is for the four- year programs to lower their amount of credits from 137-142 in range to 120-125. For five- year programs, from the current 160-180 credits to 150-155. This is a painstaking process because it involves professors, departments, and Academic Senate approvals yet, we are moving forward in this endeavor.

It is also worthy to state that UPRM's admissions has been steady for the last five years. The institution is reinforcing out-reach activities which includes summer camps, visits to schools around the island, and open house events, among others.

At the administrative area, the Administrative Board has approved Certifications 307 and 309 which are efficiency measures for teaching and research personnel. These measures have allotted us to absorb, in part, the deductions in our budget.

Other Expense-control measures include utilities, particularly energy, which takes a significant part of UPRM budget. A project to reduce the UPRM dependence on the Electrical Energy Authority (AEE) has been added to the UPR Permanent Improvement Plan. This project proposes the construction of a multi-fuel co-generator to supply 30% of the energy charge currently consumed at UPRM. The preliminary study concluded that the project may represent savings of up to \$2.8millions per year. Central Administration is currently working on the preparation of the RFP for this project. Once in place, these savings will be available to cover other operational expenses.

Another institutional project under implementation is the central acquisition of office materials. Currently, office materials are purchased by each independent office, to different vendors, as needed. Under the new model, UPRM Bookstore will be the only unit authorized to buy office materials, other than paper, giving them the capacity to enter in negotiations with external suppliers. Offices will purchase the supplies exclusively at the Bookstore. An analysis of the projected impact of this project concluded that it can save between 10% to 15% in office supplies expenses.

A future measure to control expenses is that of savings of articles less than \$3,000. These expenses represent 80% of the purchases of the Campus. Therefore, we are implementing a system of master purchasing agreements with suppliers selected through a bidding process for unitary pricing of materials for the maintenance area (e.g. refrigeration, electricity, plumbing, and others). This

measure will allow for a 10% savings of materials and a significant improvement in efficiency services. This also facilitates workload for the offices, administrative personnel and the purchasing office.

CONCLUSION

Overall, UPRM is currently operating well financially and attending to our student population. While the University will not sacrifice its long-standing reliability in its financial reporting for timeliness, the resulting gains from the enhanced processes has mirrored best industry and financial reporting practices to uphold firmly MSCHE affiliation requirements. UPRM will continue to maintain balanced budgets and focus on providing the best for our students as best as we can and the system provides.