

Use APS Cost Data to Surface Opportunities for Enhanced Efficiencies

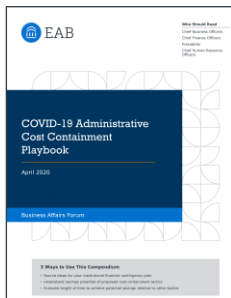
Planning for Fall 2020 COVID-19 Scenarios

The COVID-19 pandemic has turned higher education on its head. The financial impact of the pandemic has been felt across institutions of every type in various ways and the likelihood of declining fall enrollments has pressured institutional leaders to evaluate budgeting and reduce costs where possible. Grappling with difficult decisions in times of uncertainty and being asked to do more with less is a daunting endeavor. Leaders who leverage data to inform decisions can better support instructional staff and students, as well as institutional goals and efficiency in response to COVID-19. This guide is designed to help academic leaders surface opportunities to enhance cost efficiencies using Academic Performance Solutions (APS) analyses to plan for fall 2020.

Contextualizing and Monitoring Both Non-Instructional Staff Costs and Instructional Costs

Given the financial impact of COVID-19, now is an opportune time to evaluate both non-instructional staff costs and instructional costs to surface opportunities to take short to medium-term action to lower costs where possible. APS considers non-instructional staff costs to be costs such as non-instructional salaries and general operating expenses, and instructional costs to be costs such as instructional salaries, employee benefits, and student compensation.

EAB Best Practice Research

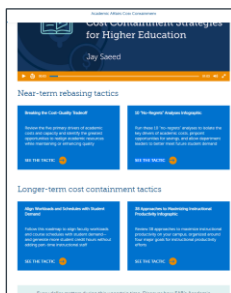


COVID-19 Administrative Cost Containment Playbook

Potential Non-Instructional Staff Cost Savings

- Freeze out-of-state travel, which is likely an organic result of COVID-19 social distancing
- Limit professional development spending
- Limit cell phone offerings
- Freeze administrative hiring
- Create a hold period for administrative vacancies
- Consolidate management layers within departments
- Enact layoffs (when absolutely necessary)

➤ [Download](#) the playbook to learn more.



Academic Affair Cost Containment Interactive Online Resource

Potential Instructional Cost Savings

- Evaluate opportunities to inflect cost such as increasing course completion rates, median section size, and median student credit hours taught per instructor, as well as evaluating instructor mix (see *Page 5 of this guide*).
- Consider [right-sizing the program portfolio at your institution](#) (Live webinar on June 10)

➤ [Visit our online resource](#) to learn more.

APS data allow you to monitor both types of costs, in order to reveal opportunities for enhanced efficiencies in your institution's respective departments.

Source: EAB research and analysis.

Strategy 1: View Department's Cost Data Relative to Similar Departments in the College

You can contextualize your department with similar departments at your own institution. Keep in mind that each department is unique, making it important to **compare departments that have enough in common**; avoid comparing "apples to oranges." To verify if the departments have enough in common, ask yourself: Is your pedagogy similar (e.g. private lessons are needed in all, not just one, of the departments) and are similar types of teaching materials used? Evaluate similar social sciences departments, humanities departments, and natural sciences departments to gain better context.

- 1 Use the **Academic Year** and **College Name** filters on the Department Scorecard tab on the APS Analytics dashboard. Select the most recent year of cost data and the college you wish to investigate.

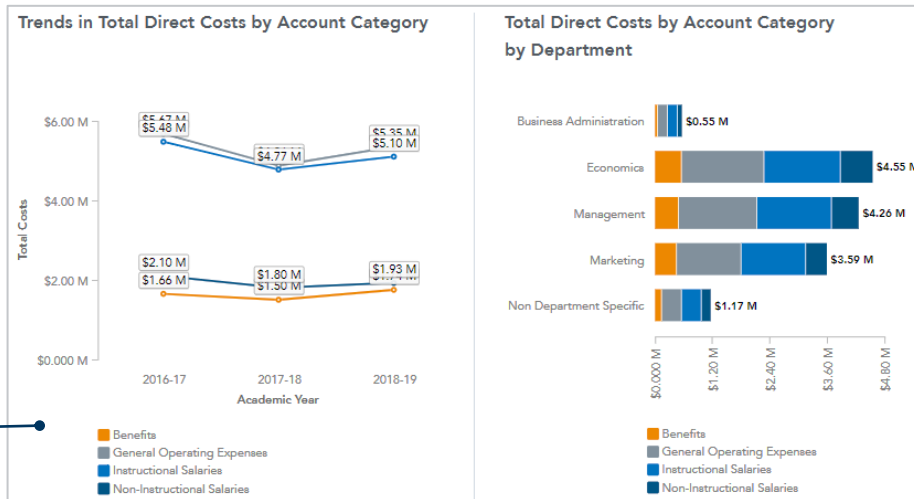
Time Period	University Attributes*	Course Attributes	Student Attributes
ACADEMIC YEAR 2018-19	CAMPUS NAME All	COURSE DIVISION All	STUDENT LEVEL All
TERM All	COLLEGE NAME College of B...	COURSE TYPE All	STUDENT CLASSIFICATION All
	DEPARTMENT NAME All	COURSE PREFIX All	

- 2 Scroll down to the Total and Per Credit Hour Costs header.

Key reports: Trends in Total Direct Costs by Account Category; Total Direct Costs by Account Category by Department

Location: APS Analytics dashboard, Department Scorecard

Goal: Assess total direct costs by account category across the college.



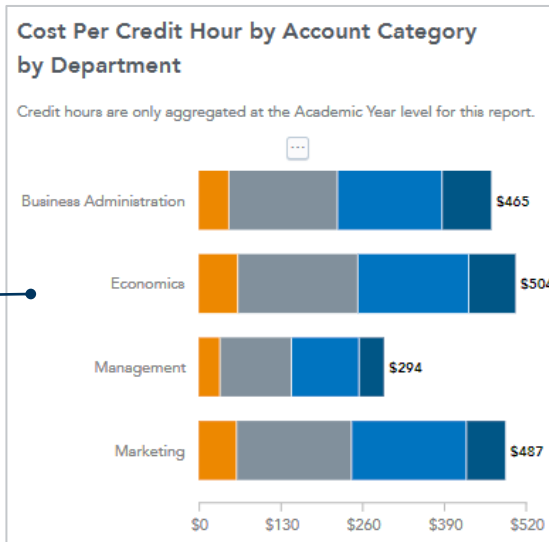
Hover over the categories:

- How do non-instructional staff costs (Non-Instructional Salaries, General Operating Expenses) compare?
- How do instructional costs (Instructional Salaries, Benefits) compare?

- 3 Scroll down to achieve a deeper look by evaluating cost per credit hour for each department.

Key report: Cost per Credit Hour by Account Category by Department

Goal: Assess cost per credit hour by account category for each department in the college.



Hover over the categories:

- How do non-instructional staff costs (Non-Instructional Salaries, General Operating Expenses) compare across departments?
- How do instructional costs (Instructional Salaries, Benefits) compare?

Strategy 2: Assess Changes in the Department's Costs Over Time

Evaluate how your department's cost data has changed over time in terms of the various account categories and compare with your expectations. Export data from the APS platform to Excel to perform a separate analysis.

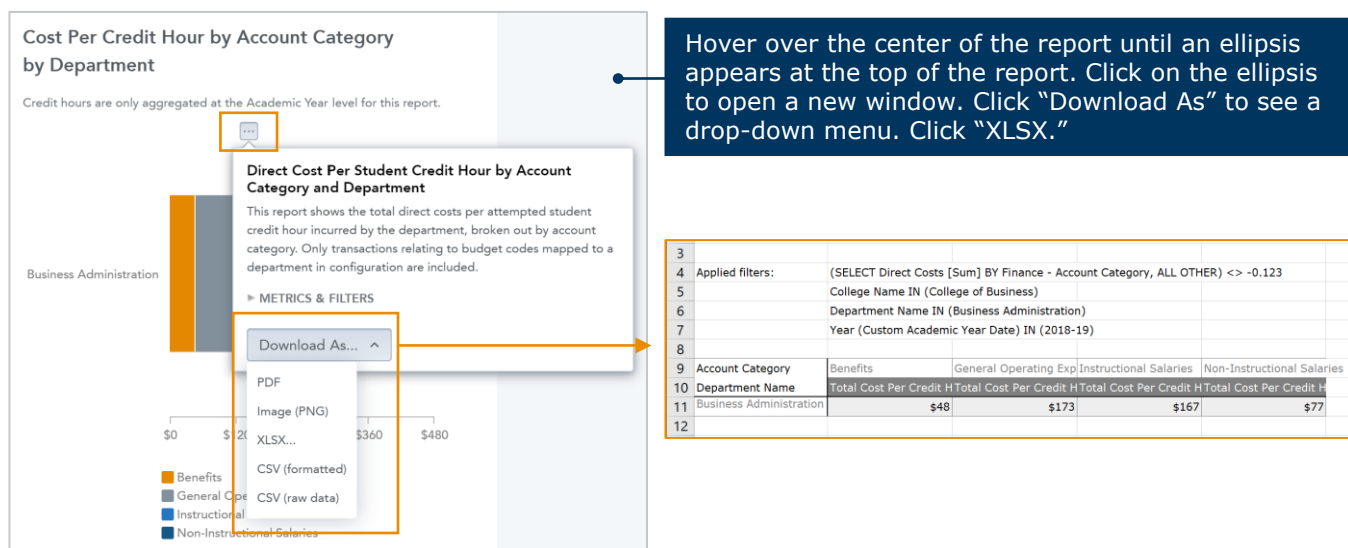
1 Use the **Academic Year**, **College Name**, and **Department Name** filters on the Department Scorecard tab. Select the most recent year of cost data and the college you wish to investigate.

2 Scroll down to the Total and Per Credit Hour Costs header.

Key report: Cost Per Credit Hour by Account Category

Location: APS Analytics dashboard, Department Scorecard

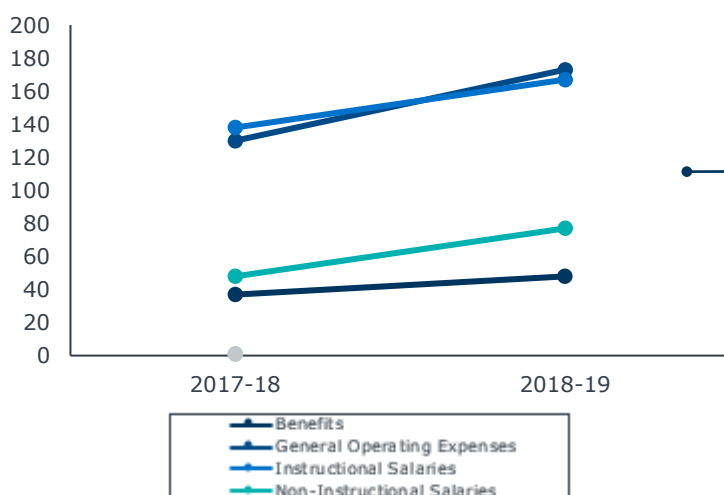
Goal: Export cost data to Excel in order to perform a separate analysis.



3 Use the **Academic Year** filter at the top of the tab to select the year prior. Repeat Step #2 to export the prior year's data to Excel. Compare the two sets of data by creating a table and line graph. Examine the trends in the account categories over the two year period.

Example

Business Administration Direct Cost Per Student Credit Hour By Account Category at Woodley University				
Year	Benefits	General Operating Expenses	Instructional Salaries	Non-Instructional Salaries
2017-2018	\$37	\$130	\$138	\$48
2018-2019	\$48	\$173	\$167	\$77



All cost account categories have increased over the past year for the Business Administration department at Woodley University (APS demo site).

- Why has cost per credit hour increased for all categories?
- Was this trend expected?
- Is there opportunity for increased efficiency across the non-instructional staff and instructional costs?

Strategy 3: Contextualize Department's Cost Data With Peers' Using APS Benchmarks

To compare your department's cost data with that of peers, use the APS Benchmarks dashboard to evaluate metrics for standardized departments across different account categories. When choosing your benchmarking cohorts, it's important for both senior and department leadership to collaborate to decide what works best for the department you wish to contextualize. Perhaps one cohort of institutions is more relevant for comparison than another cohort depending on the funding or structure of the department at the cohort schools.

- 1 Use the **Choose Your Cohort**, **Choose Your College**, and **Academic Year** filters on the Instructional Costs tab on the APS Benchmarks dashboard. For more information about your institution's cohort, see the Cohort Profile Tab.

Instructional Costs

Reports on this tab provide department level comparisons of cost per student credit hour for departments where cost at your institution differ from peers, then drill into the contribution of each account category.

Choose Your Cohort
Large Publics, D... ▼

Choose Your College
College of Busin... ▼

ACADEMIC YEAR
2018-19

- 2 Scroll down to the Department-Level Analysis header. Use the **Department** filter to select the department you wish to investigate.

Department-Level Analysis

Use the department filter in this section to focus your analysis and drill into the financial data for the selected department compared to the cohort. Cohort costs associated with 'Not Benchmarked' departments are not included.

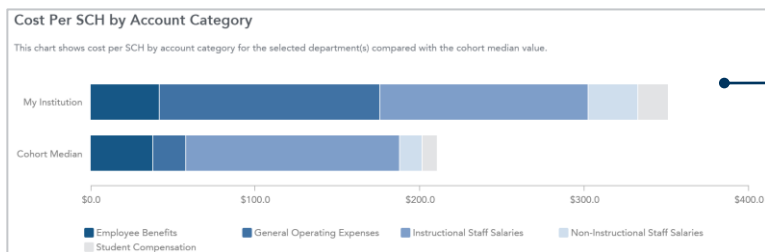
DEPARTMENT
Business, Manag... ▼

- 3 Evaluate how your institution compares to the cohort median in terms of the standard department name. Pay attention to both non-instructional staff costs (Non-Instructional Staff Salaries and Employee Benefits) and instructional costs (Instructional Staff Salaries, Employee Benefits, and Student Compensation).

Key report: Cost per SCH by Account Category

Location: APS Benchmarks dashboard, Instructional Costs tab

Goal: Compare non-instructional staff and instructional costs for your institution and the cohort.



Hover over the categories to identify where your institution is higher than the cohort.

- 4 Scroll down to the Opportunities to Inflect Cost Per SCH header to evaluate areas to inflect instructional cost in your selected department. Select your filters for **Course Attributes** and **Instructional Staff Attributes**.

Opportunities to Inflect Cost Per SCH

Use the reports in this section to determine which cost drivers you can adjust to inflect cost per SCH for the selected department. The metric is calculated as: $\text{Cost Per SCH} = \frac{\text{Total Cost}}{\text{SCH Produced}}$. To decrease the numerator (lowering costs) or increase the denominator (increasing the SCH produced while holding costs constant), use the filters below.

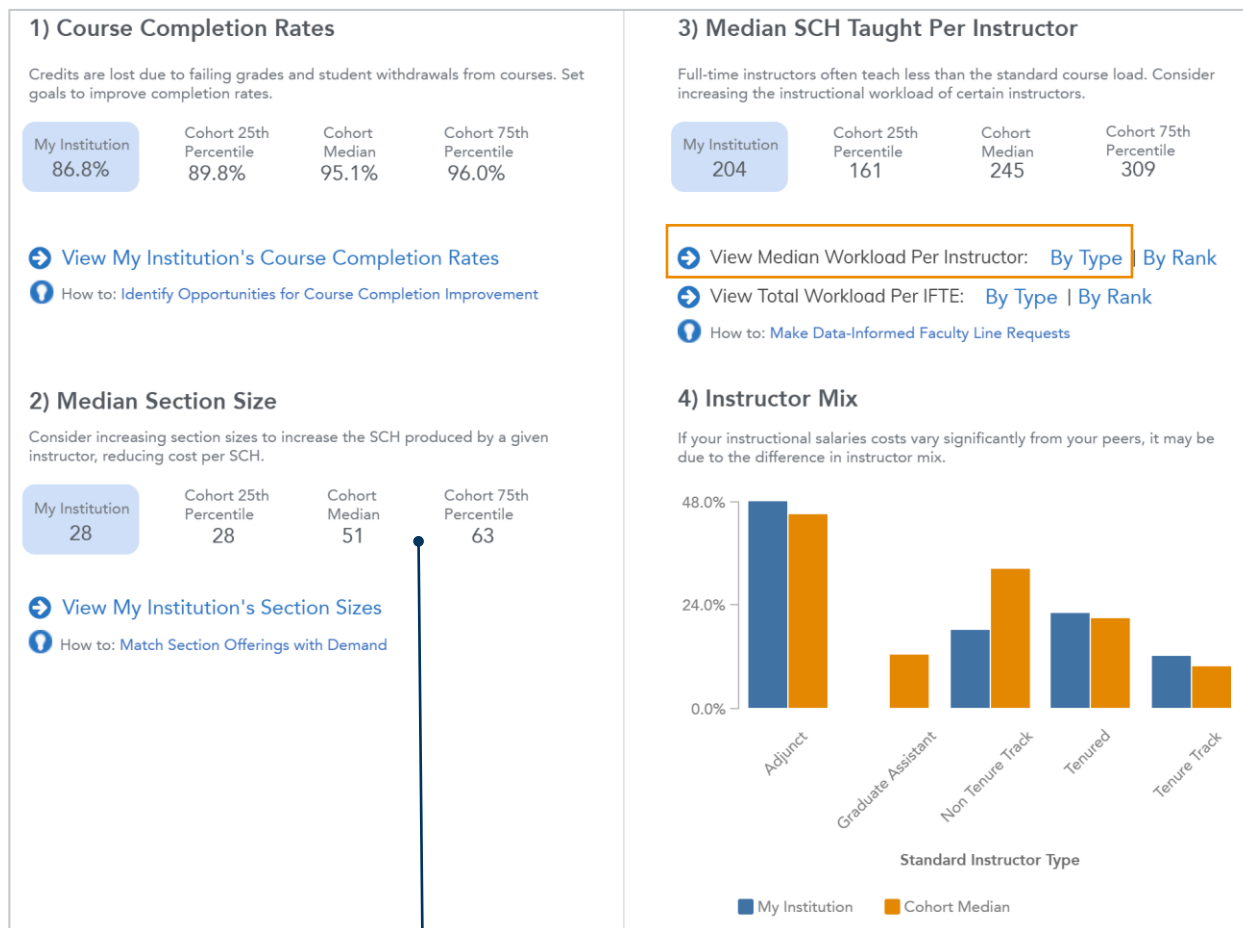
Course Attributes
 COURSE TYPE: Lecture ▼
 COURSE LEVEL: 100-Level ▼

Instructional Staff Attributes
 ASSIGNED DEPARTMENT: Business, Managem... ▼

- **Course Type:** Consider expectations for class sizes by removing courses that may skew the data, such as independent study.
- **Assigned Department:** APS assigns instructional staff to where they teach the most. Select the department where you wish to investigate the corresponding instructional staff.

- 6 Review the four opportunities to inflect cost per SCH for your selected department. Take note of where your institution falls in terms of the percentile distributions. Is your institution much lower than the cohort median in the below attributes? Depending on your cost constraints, where would you like to see your institution fall on the distribution in the future?

Under the third opportunity, Median SCH Taught per Instructor, click the View Median Workload per Instructor by Type link to see a more detailed look at disparities in workload.



With COVID-19, social distancing requirements may make maximizing in-person instruction classes challenging. Consider hybrid in-person/online courses or offering different meeting times for the same section to balance need for cost efficiency with pandemic-related requirements.

Questions for Consideration

Reflect on the opportunities you've identified to inflect both non-instructional staff and instructional costs.

1. Is there flexibility in non-instructional staff salaries costs (Travel, Admin, etc.) in the social distanced and budget-constrained climate of COVID-19?
2. Which opportunities to inflect cost in terms of instructional costs are most relevant and impactful?
 - Course Completion Rates
 - Median SCH Taught Per Instructor
 - Median Section Size
 - Instructor Mix



[Read](#) our blog post to learn more about managing instructional costs.