



APS

Virtual Summit

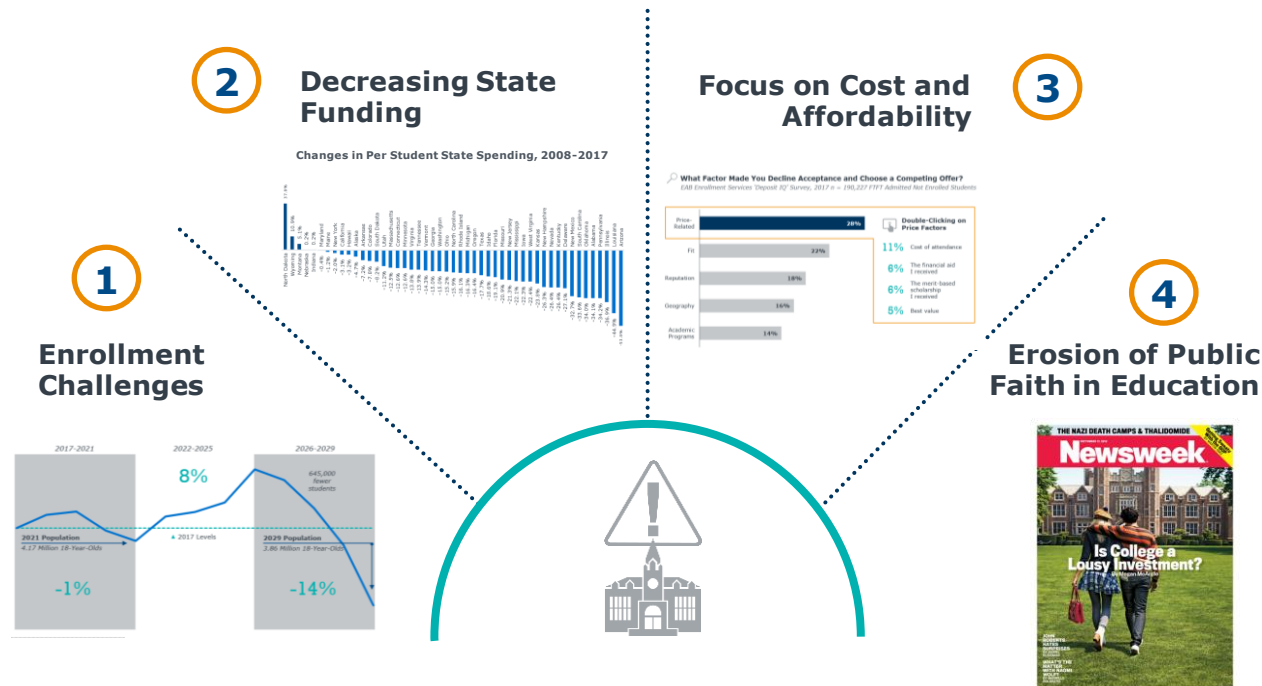
Charting a Course of Recovery with EAB's Research and Advisory Services

Expansion Spotlight



A Crisis Long in the Making

Four Long-Standing Trends Exacerbated by the Current Crisis



Strategies for Financial Sustainability



	Grow Revenues	Reduce Costs
Short-Term (1-3 years)	<ul style="list-style-type: none">• Grow existing high demand programs• Recruit undergraduates more aggressively• Improve retention• Philanthropy	<p>Admin/ Across-the-Board Cuts</p> <ul style="list-style-type: none">• Reduce non-essential purchasing• Reduce central admin staff• Furloughs/ layoffs <div style="border: 2px solid red; padding: 5px;"><p>Changes to Academic Structure</p><ul style="list-style-type: none">• Improve instructional efficiency• Close academic programs• Merge colleges/ departments</div>
Medium- to Long-Term (3-10 years)	<ul style="list-style-type: none">• Launch new high demand programs• Build more robust transfer pathways• Diversify recruiting• Lobby state legislature	<ul style="list-style-type: none">• Reduce personnel costs through attrition/ early retirement programs• Implement shared services• Create annual performance improvement plans for academic departments

A Decade of Relevant EAB Research

EAB Studies on Measuring and Improving Academic Program Performance



- Maximizing Space Utilization (2010)
- [Smart Growth](#) (2011)
- Revitalizing the Program Portfolio (2012)
- [Reaching Search and Shop Students](#) (2013)
- Dean's Dashboard (2014)
- [Breaking the Trade-Off Between Cost and Quality](#) (2014)
- [The New Academic Program Review](#) (2015)
- [Making the Academy Market Smart](#) (2016)
- [The Instructional Capacity Playbook](#) (2018)
- [Academic Vital Signs](#) (2018)
- [Rightsizing the Program Portfolio](#) (2019)
- [The Multidisciplinary Reorganization Toolkit](#) (2019)
- [Market Insights and Industry Futures](#) (2020)

Where Are the Greatest Opportunities?

Three Basic Ways To Achieve Greater Financial Sustainability



Grow Revenues

- Expand enrollment in existing high-demand programs
- Launch new high-demand programs



Reduce Non-Instructional Staff

- Share support staff across units
- Merge academic units (colleges, schools, departments)



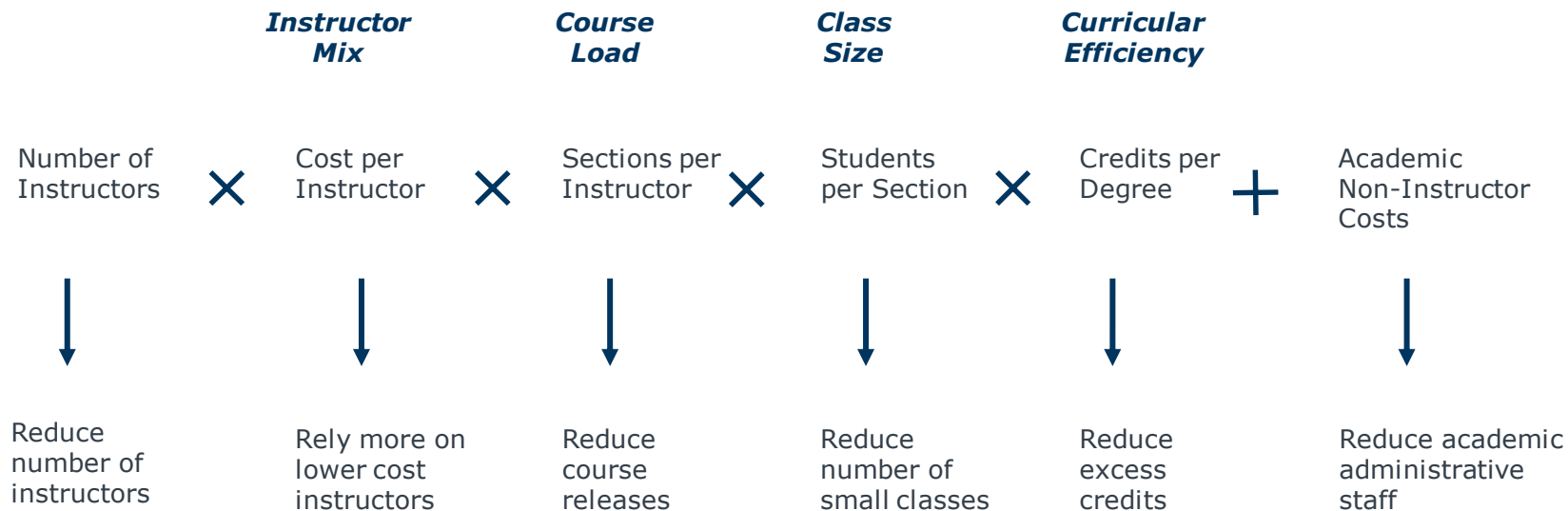
Reduce Instructional Staff

- Increase output per instructor
- Disinvest in selected degree programs

What Are the Drivers of Academic Costs?

A Simplified Model

Academic Cost per Degree



Hardwiring Academic Efficiency

Five Strategies to Effectively Manage Instructional Capacity and Costs

Analyze Instructional Capacity Gap



Positive number indicates capacity to add sections or reduce reliance on adjuncts

Track SCH per Faculty FTE Targets



Department-specific goals help hold faculty accountable for department financial performance

Reduce Unfunded Course Releases



Course release targets and criteria to assign releases help institutions allocate resources in a principled way

Offer Small Courses Less Frequently



Low enrollment electives can be offered every year or every other year instead of every term

Collapse Underfilled Sections



Increasing section sizes by a few students can help eliminate unnecessary under-enrolled sections

For more information see "[Academic Vital Signs: Aligning Departmental Evaluation with Institutional Priorities](#)" and "[The Instructional Capacity Playbook](#)" on eab.com



Assumptions

- Individual academic programs are the best unit of analysis for making resource trade-off decisions
- There is a cost and a benefit to each academic program
- A standard set of quantitative metrics can assess the costs and benefits, allowing you to compare and prioritize academic programs
- Reducing the number of academic programs can reduce costs with limited negative impact on students
- Having a more focused set of academic programs not only frees up resources but also reduces complexity for students, faculty, and administrators

Key Questions

- Can you save more by making larger programs more efficient or by cutting smaller programs?
- How easily can you isolate the true cost of an academic program?
- What are the qualitative factors that should be assessed?
- Will you lose enrollment if you cut programs? Will student retention or time-to-degree be impacted?
- How much will you gain by reducing the number of programs and is it worth the effort?





Quantitative

- Student Demand (applications, majors, SCH)
- Cost to Deliver (instructional costs, non-instructional costs)
- Student Outcomes (retention, graduation, post-graduation outcomes)
- Scholarly Output (grants, publications, citations)
- State Workforce Needs (projected demand)
- Diversity and Equity (student/ instructor diversity, equitable outcomes)



Qualitative

- Contribution to mission
- Centrality to university/ regional identity

Potential Structural Changes



Thinking Beyond Instructional Efficiency

Eliminate an Academic Program

Financial Benefits

- Eliminate small upper division courses for majors
- Fewer instructors required to teach non-majors
- Eliminate stipend/ course release for program director

Non-Financial Benefits

- Simplify student major choices
- Reduce admin complexity

Constraints

- Teach out requirements
- Impact on enrollment
- Ability to attract and retain top faculty

Merge Two or More Departments

Financial Benefits

- Eliminate stipend/ course release for dept chair
- Reduce support staff
- Reduce duplicate courses across programs

Non-Financial Benefits

- Encourage collaboration and innovation

Constraints

- Faculty preference for disciplinary-aligned departments

Merge Two or More Schools

Financial Benefits

- Reduce dean's office staff
- Reduce duplicative admin support staff
- Eliminate compensation for dean

Non-Financial Benefits

- Better align programs for growth
- Increase strategic focus

Constraints

- Complexity of "post-merger" integration
- Strong sense of school identity



Criteria for Assessing Reorganization Proposals

Judgment and Conjecture More Important Than Qualitative Analysis

	Potential Benefits	Potential Drawbacks
Administrative Scale	<ul style="list-style-type: none">• Combine smaller units to reduce administrative overhead	<ul style="list-style-type: none">• Scaled services less responsive to unique departmental needs• Large units often duplicate central admin services
Disciplinary Alignment	<ul style="list-style-type: none">• Combine departments with curricular or research overlap to improve collaboration	<ul style="list-style-type: none">• Challenging to predict whether collaboration will actually result• Specialized accreditation may limit flexibility
Budget Model Implications	<ul style="list-style-type: none">• Create units with a mix of revenue positive and subsidized departments to yield balanced budgets	<ul style="list-style-type: none">• Budget model may inhibit collaboration across colleges/ schools

The Value and Limitations of Quantification



Neither a Silver Bullet Nor a Pointless Exercise

With Little or No Data

- It is impossible to understand the consequences of your decisions
- The most powerful person or group makes the decision
- Arguments based on different understandings of the facts cannot be resolved

With a Narrow Focus on Data

- Essential but hard to quantify values (such as quality) are ignored
- Decisions are made without understanding the full context
- Perverse incentives lead people to boost certain metrics at the expense of the institutional mission

The data can highlight and quantify tradeoffs, but all tradeoffs require value judgements

EAB can frame those tradeoffs for you, but we cannot make them for you

Politics are Inescapable

“The familiar criteria of cost, quality, and centrality are not the key indicators on which decision-makers identify programs for termination. Instead, institutions close programs that have novice or ineffective leaders, have weak links to other programs, are not central to the mission of their college (as compared to the mission of the university), have low numbers of students and faculty, and have few influential off-campus champions.”

Peter D. Eckel, *Changing Course: Making the Hard Decision to Eliminate Academic Programs* (New York: American Council on Education and Rowman & Littlefield Education, 2009)

Join the Financial Sustainability Collaborative

A Cohort-Based Partnership to Attain and Maintain Financial Health

Evaluate Four Key Drivers of Academic Revenues and Costs



Engagement Aims and Activities



How to Participate in the Collaborative



Pick a Start Date

- Collaboratives start Oct 2020, Jan 2021, and March 2021
- 30 participant spots reserved per start date



Select Executive Sponsor and Implementation Leader

- Skilled at leading complex campus wide initiatives
- Attend monthly meetings. Oversee data collection and analysis.



Schedule a Kick-Off

- Meet your expert advisor
- Learn how to educate stakeholders about the process
- Begin collecting key data for the first phase



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