Breaking the Trade-Off Between Cost and Quality

Enfranchising Faculty in the New Financial Reality
From Rising Tide to Zero Sum
The Recession as Turning Point

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue Growth</td>
<td>5.0%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Non-Tuition Revenue Growth</td>
<td>3.9%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Net Tuition Revenue Growth</td>
<td>6.9%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Institutions with Declining Net Tuition Revenue per Capita</td>
<td>11.3%</td>
<td>33.1%</td>
</tr>
<tr>
<td>Enrollment Growth</td>
<td>2.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Institutions with Declining Enrollment</td>
<td>27.5%</td>
<td>43.2%</td>
</tr>
</tbody>
</table>

Growing Numbers Believe Higher Ed Financial Model Is Unsustainable

I am confident in the sustainability of my institution’s financial model over the next 10 years

50% Presidents
41% Chief Business Officers

Revenues
- Long-term Demographics
- State Budget Cuts
- Federal Budget Pressures
- Increased Financial Need
- Declining Median Incomes

Costs
- Employee Benefits
- Deferred Maintenance
- Increased Student Services
- Rising Compliance Costs
- Legacy Programs

Source: EAB analysis of IPEDS data

Source: Inside Higher Education
Doing More with the Same (or Fewer) Resources

How Do We Get Our Universities to Adjust to the New Budget Realities?

Flattening Revenues, Rising Costs

The Recession
Administrative Belt-Tightening

The Decade Ahead
Looking for Growth

2000 2009 2015

Costs Revenue

The New Reality

"Ten years ago, I could find a way to fund 20 out of 20 new investments across the university. Now, I'm lucky if I can in good conscience green-light five, and our academic leaders have a hard time understanding why."

CBO
Private Master’s University

Harder to Fund “Business as Usual” Requests

Provost
Additional funds for institution-wide initiatives

Education Dean
To stem enrollment decline, wants to launch online master’s for mid-career professionals

CBO
Challenged to find new dollars for new initiatives

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The Quality Concern

Fears that Cutting Costs and Increasing Efficiency Will Harm Quality

If We Cut Costs...

Our best faculty will leave

The quality of our research will suffer

We won’t attract the best students

The student experience will deteriorate

We will lose ground against our peers

The quality of instruction will decline

We won’t be able to serve high-need populations

"It is logically impossible to do more with less."

Faculty Member, Public Masters University

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Source: EAB interviews and analysis.
A New Paradigm
Shifting Our Perspective on Academic Performance Assessment

From Quality at Any Price... → To Targeted Investments in Excellence

Maximizing inputs → Maximizing outputs
The only way to improve quality is to spend more → The only way to improve quality is to focus on what works
Same performance expectations for all faculty in the program → Differentiated roles and workloads based on ability to contribute
Every discipline has equal inherent value → Seeking excellence in all disciplines will lead to mediocrity
Resources should be allocated fairly → Resources should be allocated effectively
Siloed plea for additional resources → Institution-wide alignment of resources with priorities

Finding and Reallocating Academic Resources
A Roadmap for Realizing Academic Ambitions

Unit Performance Measurement
Course Offerings
- Consolidate underutilized sections
- Reduce number of small courses
- Calculate capacity
- Analyze opportunities
- Customize metrics to mission

Course Success
- Expand bottleneck courses
- Limit high-DFW courses
- Streamline major requirements
- Reduce elective offerings

Curricular Complexity
- Maximize capacity utilization

Faculty Workload

<table>
<thead>
<tr>
<th>Underutilized Sections</th>
<th>Attempted Credits Not Completed</th>
<th>Students Graduating with Excess Credits</th>
<th>Faculty Teaching Less than Standard Load</th>
</tr>
</thead>
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<tr>
<td>33%</td>
<td>20%</td>
<td>30%</td>
<td>60%</td>
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</table>
Finding and Reallocationg Academic Resources

A Roadmap for Realizing Academic Ambitions

**Unit Performance Measurement**

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  - Consolidate underutilized sections
  - Reduce number of small courses

- **Course Success**
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  - Limit high-DFW courses

- **Curricular Complexity**
  - Streamline major requirements
  - Reduce elective offerings

- **Faculty Workload**
  - Maximize capacity utilization

### Unit Performance Measurement

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
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**You Manage What You Measure**

Three Different Philosophies of Program Performance Metrics

- **Program Outputs**
  - How does the program impact student learning and scholarship?

- **Financial Performance**
  - What are the costs and revenues of the program?

- **Resource Utilization**
  - How efficiently does the program use its resources?

- **Program Prioritization**
- **Cost Accounting**
- **RCM**
- **EAB Breaking the Trade-Off Between Cost and Quality**
- **Traditional Program Review**
- **Performance Based Funding**

Existing Academic Affairs Forum resources on related topics:

- **Budget Models**: Optimizing Institutional Budget Models
- **Resource Utilization**: Smart Growth, Breaking the Trade-Off Between Cost and Quality
- **Program Prioritization**: Revitalizing the Program Portfolio
Aligning Resources with Institutional Priorities

Resource Allocation Processes Ultimately Determine Success or Failure

Vision

Strategic Priorities

University Budget Models

Academic Programming Decisions

The Butterfly Effect

Small Faculty Decisions Lead to Large Institutional Effects

Faculty Perspective

"She is helping with program administration."

"It was his turn!"

"I always teach this course in the fall..."

Chair Decision

Issue an extra course release

Assign a weak instructor to gateway course

Teach lower-division class of five

Institutional Consequences

25 fewer students complete a major requirement this term

30 students DFW, take one semester longer to graduate

Other students wait another term for gateway course

Key Mistake: Focusing Unit Attention on Metrics They Can’t Control

- Cost per SCH, contribution margin data may reveal controllable problems (e.g., class size), but may be attributable to overhead or salary differentials
- High DFW rates, low retention rates sometimes attributable to student quality

Source: EAB interviews and analysis.
Calculating Excess Capacity

Significant Opportunities to Improve Outcomes With Existing Resources

Factors That Limit Instructional Capacity

Maximum Theoretical Capacity

(# of faculty x standard course load x max class size)

Instructional Capacity

(# of courses offered x max class size)

Total Seats Offered

(# of courses offered x actual class size)

Course Registrations

(actual course enrollments)

Course Completions

(credits earned)

Factors That Limit Instructional Capacity

Course Releases

Small Classes

Underfilled Sections

DFW Rate

Source: EAB interviews and analysis.

The Importance of Data Visualization

State-of-the-Art College-Level Dashboards from University of Kansas

Data Categories

• Student Credit Hours
• Course Fill Rates
• Course Completion Rates
• Cost per Credit Hour
• Course Demand by Fill Rate
• Completion Rates by Class Size
• Average Class Size
• Grade Distribution

Source: Deborah Teeter and Gwen Bohling, Office of Institutional Research and Planning, University of Kansas.
Gleaning Unit-level Insight from Finance Data

Deans and Chairs Struggle to Identify Challenges, Even Given Data

Leaders Gaining Tools to Make Strategic Finance a Reality...

- **Budget Incentives**
  - Decentralized budget model
  - Revenue shares for master’s or online programs

- **Cost Accounting**
  - Total unit costs and revenues
  - Incremental cost and revenue per SCH
  - Indirect cost allocation

... But Overwhelmed by Options

- **Sustainability Assessment?**
  - “What do my long-term trends look like? Am I in trouble?”
  - “How am I doing compared to the other colleges?”

- **Control Costs?**
  - “How much would I get by better space utilization?”
  - “Can I share certain costs with other units?”

- **Grow Revenues?**
  - “What are my big opportunities?”
  - “How much growth do I need to fix the unit’s deficit?”
  - “How do I account for possible changes in tuition or state funding?”

Stages of Excellence

Even Sophisticated Institutions Lack Comprehensive Data-Driven Approach

|                      | Basic                           | Typical                                  | Advanced                                               | Cutting Edge                                           |
|----------------------|---------------------------------|------------------------------------------|-------------|------------------------------------------------|-------------------------------------------------|
| **Data Integration** | Data is collected and stored in the same transactional system where it was created. | The institution has a single mechanism (e.g., ODS, EDW) to integrate basic transactional systems (e.g., ERP, CRM, HRIS, SIS, LMS). | The institution integrates specialized internal data sources (Faculty ERP, Co-curricular participation, Card swipe data, Mobile app data). | The institution integrates external data sources (State workforce data, IPEDS). |
| **Data Governance**  | Zero or few fragmented processes govern the input, collection, definitions, usage, and access of data. | Data policies, definitions and processes exist within a narrow terrain (e.g., reporting). | Common policies and standards exist within a narrow terrain (e.g., reporting). | Common policies and standards are in effect enterprise-wide; centrally-managed KPIs exist. |
| **Analytical Support** | Campus offices (e.g., IR or IT) support basic internal and compliance reporting. | Campus offices provide ad hoc reports for decision makers with long turn-around time. | IR has some BI capabilities to provide self-service data tools. | Specialized BI unit supports all deans and central admin with real time data. |
| **Analyses**         | Basic volumetrics:  
  - Student-faculty ratio  
  - Number of majors by program  
  - Class sizes  
  - HR etc.  

  College-level productivity data:  
  - Room utilization  
  - Section fill rates  
  - SCH per instructor. | Predictive analytics to guide decisions on:  
  - Program level cost and contribution margin  
  - Student course demand  
  - Student risk profile. | Prescriptive and what-if capability guides decisions on:  
  - Faculty line allocation  
  - Scholarship allocation  
  - NTR Optimization. |
| **Impact on decision-making** | Very few institutional leaders use cost or capacity data for resource allocation decisions (<10%). | Ad hoc and one-off analyses guide pockets of data-driven decision making (10-50%). | A majority of campus leaders use data to guide resource allocation decisions (50-90%). | Virtually all campus leaders use cost and capacity data to guide decisions (>90%). |

Source: EAB interviews and analysis.
Finding and Reallocation of Academic Resources

A Roadmap for Realizing Academic Ambitions

### Unit Performance Measurement
- Calculate capacity
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- Limit high-DFW courses

### Curricular Complexity
- Streamline major requirements
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### Faculty Workload
- Maximize capacity utilization

---

#### Underutilized Sections
- 33% Attempted Credits Not Completed

#### Attempted Credits Not Completed
- 20%

#### Students Graduating with Excess Credits
- 30%

#### Faculty Teaching Less than Standard Load
- 60%

---

### Consolidating Excess Course Sections

**Anthropology 101 at a Public Masters University**

**Excess Course Capacity**

- Max. Enrollment = 45;
- Space Utilization = 46%

<table>
<thead>
<tr>
<th>Credits</th>
<th>Max. Utilization</th>
<th>Current Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>42%</td>
<td></td>
</tr>
</tbody>
</table>

**Consolidated Sections**

- Max. Enrollment = 45;
- Space Utilization = 78%

<table>
<thead>
<tr>
<th>Credits</th>
<th>Max. Utilization</th>
<th>Current Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>78%</td>
<td></td>
</tr>
</tbody>
</table>

**Excess Institutional Capacity**

- 289 Excess sections
- 25% Adjunct instructors
- 75% Full-time faculty
- 200 Faculty credit hours
- $330K Potential savings
- Decrease bottlenecks, increase release time
**Why Class Size Matters – A Lot**

Number of Students Drives Course Breakeven

**Course Contribution Margin by Section Size**

<table>
<thead>
<tr>
<th>Section Size</th>
<th>Contribution Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$(3,720)</td>
</tr>
<tr>
<td>2-5</td>
<td>$(1,537)</td>
</tr>
<tr>
<td>6-10</td>
<td>$1,077</td>
</tr>
<tr>
<td>11-25</td>
<td>$8,689</td>
</tr>
<tr>
<td>26-50</td>
<td>$22,980</td>
</tr>
</tbody>
</table>


**Small Course Offerings Growing Fastest**

Students and Faculty Time Concentrating in Courses Below Breakeven

**Faculty Credit Hour Distribution by Section Size**

<table>
<thead>
<tr>
<th>Section Size</th>
<th>FCH Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 student</td>
<td>1 student</td>
</tr>
<tr>
<td>2-5</td>
<td>2-5</td>
</tr>
<tr>
<td>6-10</td>
<td>6-10</td>
</tr>
<tr>
<td>11-30</td>
<td>30% of Total FCH Allocated to Small Courses</td>
</tr>
<tr>
<td>More than 30</td>
<td></td>
</tr>
</tbody>
</table>

**Annualized Percentage Change Over ~7 Years**

- +7%
- +3%
- +8%
- -1%
- -9%

Source: EAB interviews and analysis.
Small by Design?
Separating Intentional from Unintentional Small Courses

Why Are Some Courses Small?

"Facts of Life"

Pedagogy
Majors (like music) require smaller formats

Accreditation
Regulated student to faculty ratios

Low-Demand Majors
Secular enrollment declines

"Facts of Life" (continued)

Tracks and Specialization
Require high course frequency

Complex Prerequisites
Reduce upper division enrollments

Electives
Can increase time-to-degree

Pulling It All Together
Institutions Seeing Tangible Savings from Review of Course Offerings

Comprehensive Course Offering Review

Course Cap Review
- Review course caps by course type and level with faculty
- Push for course cap parity for similar courses across units

Capacity Utilization Review
- Assess room utilization by prime time status, technology, and room type (e.g., lecture hall)
- Assess avg. real teaching load (course & student headcount basis) across units

Course Pathology Analysis
- Course frequency reduction
- One-on-one instruction (ind. study) consolidation
- Substitutable course elimination

Initial reduction in sections per term (~75 sections), with 10%+ achievable over time

Reduction in operating expenditures from consolidation of part-time instructor positions (~4% of OpEx)

Theoretical blanket workload possible from section elimination (from 4/4)

Source: EAB interviews and analysis
Earning Faculty Buy-in
Provide Tangible Returns and Avoid Unnecessary Cuts

Realize Savings as Workload Reduction
Allocate new research or service releases, or start an incentive-based release or stipend program in line with strategic plan

Limit Course-Cutting
Avoid antagonizing course "champions" by first reducing frequency and eliminating pre-requisites as a viability check for vulnerable courses

Spin Off High-Volume Tracks into New Degree Programs
The largest tracks can often support themselves as degrees, buttressed with elective depth from the "mother" program

Refuse to Allocate New Lines to "Glutted" Programs
Establishing "glut"-related benchmarks (e.g., # of majors per course must exceed 5) provides justification for later disinvestment

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33% Underutilized Sections
20% Attempted Credits Not Completed
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Pinpointing Courses for High-Impact Redesign
High-Enrollment, Low-Completion Courses Targets for “Flipping”

Course Persistence\(^1\) by Total Enrollment

<table>
<thead>
<tr>
<th>Total Course Enrollment</th>
<th>Course Persistence</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>500</td>
<td>50%</td>
</tr>
<tr>
<td>1,000</td>
<td>100%</td>
</tr>
<tr>
<td>1,500</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) “Persistence” defined as ratio of earned credits to attempted credits.

A Little Can Mean a Lot

115

Additional completions from increasing average completion rate across all sections of English 101 by 5%

Too Many AND Too Few
Bottleneck Courses as Much a Problem as Under-filled Sections

Moving Towards the Sweet Spot
Share of Lower-Division Sections by Fill Rate, Public Master’s University

- 80% Lower-division courses outside the fill rate “sweet spot”
- 30% Less than 70%
- 20% 70 to 90%
- 50% Greater than 90%

How Can We Increase Bottleneck Capacity?

8K New seats available from a 10% increase in capacity in high-demand courses at a public master’s university

Average section fill rate calculation includes only courses with a minimum fill rate of 10 percent and maximum enrollment greater than zero.

Source: EAB interviews and analysis.
Saving Time for Everyone

Waitlist Tools in Existing ERPs Achieve Results Without New Investment

"We're now able to justify and create sections in a single day out of a special "bottleneck" fund, or see if slots are available in another section... We can also see where we haven't filled a room for many years in a row and change the frequency of that course."

Steven VanderStaay
Vice Provost for Undergraduate Education
Western Washington University

13% Percentage point reduction in seniors reporting course access as a reason for graduation delay

100s Faculty hours saved on section overload management and analysis

0 Dollars spent on new technology due to unused module in existing Banner ERP

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Source: EAB interviews and analysis
Course Offerings Growing Faster than Enrollments in Many Departments

Change in Course Offerings and SCH, 2009-2014

Benchmarking Curricular Complexity

Complexity of Engineering Curricula at Three Comparably Ranked Departments

<table>
<thead>
<tr>
<th></th>
<th>Average Credit Hours Completed at Graduation</th>
<th>Min Credit Hours Required</th>
<th>Curricular Efficiency</th>
<th>Longest Course Sequence</th>
<th>Bottleneck Courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>University A</td>
<td>180</td>
<td>133</td>
<td>4.6</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>University B</td>
<td>148</td>
<td>120</td>
<td>2.5</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>University C</td>
<td>168</td>
<td>128</td>
<td>2.6</td>
<td>7</td>
<td>2</td>
</tr>
</tbody>
</table>


Source: EAB interviews and analysis.
The Rewards of Curricular Reform

Reducing Complexity Creates Real Benefits

Consolidation of Non-Degree Tracks...

- Reduced courses not counting for graduation from 16 to 0
- Reduced frequency of low-demand courses, canceled or combined 4
- Eliminated ~10 coordinator/director positions (plus releases)

Improved Both Faculty Productivity...

<table>
<thead>
<tr>
<th>2007-08</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. Teaching Load (Tenured)</td>
<td>3/2</td>
</tr>
<tr>
<td>Research/ Creative Production per FTE</td>
<td>4.4</td>
</tr>
<tr>
<td>Teaching/Advising Awards per FTE</td>
<td>1.3</td>
</tr>
</tbody>
</table>

... and Student Success

<table>
<thead>
<tr>
<th>2008 Cohort</th>
<th>2009 Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td>4yr Graduation Rate</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: Iowa State University Greenlee School of Journalism, "Greenlee Facts," accessible at [https://www.jlmc.iastate.edu/greenlee-facts](https://www.jlmc.iastate.edu/greenlee-facts); EAB interviews and analysis

A Taxonomy of Curricular Problems

Array of Curricular Issues Impacts Student Success, Increases Costs

Common Curricular Problems

<table>
<thead>
<tr>
<th>Tracks and Specializations</th>
<th>Excessive Pre-Requisites</th>
<th>Tripartite Course Sequences</th>
<th>Courses Not Counting For Degree</th>
<th>Large Lower-Division Catalog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Success Consequences</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Often Not Required for Graduation</td>
<td>• Delay Degree Progress</td>
<td>• Increase Time-to-Degree</td>
<td>• Consume Course Time Without Progression</td>
<td>• Provides &quot;Free Electives&quot; That Often Don’t Lead to Degree</td>
</tr>
<tr>
<td>• Tracks May Not “Count” on Degree</td>
<td></td>
<td>• Often Unnecessary under Semesters</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Consequences</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• High Course Frequency Required</td>
<td>• Artificially Small Upper-Division Courses</td>
<td>• Upper Reaches of Sequence Typically Under-enrolled</td>
<td>• Longer TTD Leads to Bigger Bottlenecks</td>
<td>• Degrees, Not Courses, Drive Demand</td>
</tr>
</tbody>
</table>

Source: EAB interviews and analysis
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The Myth of the Faculty Leisure Class

Faculty Shouldering More Hours, More Demands, In More Areas

Faculty Work Hours Comparable to Higher-Pay Professions
- Cardiologist: 60 hours
- Full-Time Faculty: 55.5 hours
- Associate, Corporate Law Firm: 59.5 hours

Teaching
- Political pressure to increase undergraduate throughput without new funding
- Popular enthusiasm for non-traditional modalities or “competency-based” learning
- Outcomes assessment increasingly time-consuming

Research
- Stagnating grant funding makes grant administration increasingly high-stakes
- Decline of the tenured professoriate and elimination of mandatory retirement raises P&T standards

Service/Administration
- Department chair and dean jobs increasingly professionalized, high-skill (especially as RCM spreads)

Is It “Standard” If No One’s Doing It?
Large Share of Faculty Time Released or Unaccounted For

**Overwhelming Majority of Faculty Don’t Work Standard Load…**

Share of Faculty by Load Status¹, Public Master’s University

- Underload: 62%
- Standard Load: 16%
- Overload: 23%

... Especially at Research Institutions?

57% Share of FT faculty teaching capacity utilized
(Representative Department, Public Research Institution)

The Primary Reasons for “Underloading”

- Research Releases
- Service/Admin Releases
- Insufficient Demand
- Alternative Compensation

Who’s Minding the Shop?

“There is a black market on campus for overload, supplemental pay, and reduced loads – no one has any data on this.”

Vice Provost
Public Master’s University

Faculty Workload: Actual vs. Potential
When Departments Need More Faculty to Teach More Students

**How Much Capacity Would We Gain if One-Quarter of Underload Faculty Taught A Standard Load?**

- Faculty Asked to Teach More
  25% of Underload Instructors

- Courses Added to Underload Faculty
  (18 FCH – Workload) / 3

- Average Class Size
  Varies by Discipline

Extra Teaching Capacity, by Department

- Biology: 5 courses, 125 seats
- Chemistry: 7 courses, 135 seats
- English: 7 courses, 120 seats
- Mathematics: 4 courses, 85 seats
- Psychology: 4 courses, 75 seats

Source: EAB interviews and analysis.
The Whole Hog

Holistic Reports a Starting Point for Workload Allocation, Assessment

Defining Key Indicators...

- Courses taught / assigned load
- Undergraduate SCH
- Master’s / PhD SCH
- Independent study SCH
- Lab SCH
- Books, book chapters, & reviews
- Journal articles
- Research expenditures
- Release time (in $)
- Creative compositions
- Exhibitions, performances, keynote speeches
- Conference/poster presentations
- Editing books or book chapters
- Independent lectures
- Admin. release time

… For Holistic Assessment

Annual Review of Total Productivity
Dashboard provides single version of the truth for departmental “contribution to mission” meetings with provost’s team deans, chair, and interested faculty.

Avoids Measuring “Hours” or “% Time”
Moves productivity conversation away from irrelevant factors (time inputs) to value-driven factors (outputs, outcomes).

Department-Driven
Central facilitates discussions of dashboard metrics, but departments use local knowledge to decide appropriate workload adjustments.

$1.7M
Adjunct funds re-allocated in A&S based on contribution-to-mission dashboards (~4% of total budget)

Supporting the University’s Most Precious Resource

Aligning Faculty Effort with Institutional Goals

Four Key Challenges to Aligning Workload Assignments with Mission

1. Multidimensional Productivity Analysis
2. Strategic Research Release Allocation
3. Specialized Admin/Service Roles
4. Expansion of “Clinical” Professoriate

Improved Assessment: Giving faculty credit for all they do
Research Releases: Targeting releases to the most productive faculty
Admin/Service Releases: Reducing time on non-critical activities
Specialized Teaching: Ensuring quality teaching while supporting research

Source: Michael McGoff, “Faculty Contributions to Mission: Sine Qua non,” Presentation to SCUP 46 (2011); EAB interviews and analysis.
Rebalancing the Program Portfolio

Keeping “Sticky” Instructional Capacity Aligned with Student Demand

Turning the Battleship
Institutional Program Portfolio (Illustrative)

Expand
High Demand, Full Capacity

Restructure
Slow Demand, Excess Capacity

Reallocate Resources

Why Cutting Programs Won’t Solve Your Problems
Cutting Programs Is Politically Difficult, Rarely Frees Up Significant Resources

The Limitations of Program Cuts

1. Program cuts do not save significant amounts of money unless they involve faculty cutbacks
2. Savings from program cuts take a long time to realize
3. Indiscriminately cutting small programs can have unintended negative consequences
4. Many cuts are to programs or courses that do not really exist
5. Often, there is no tracking of actual savings realized after program cuts
6. Faculty in consolidated programs or departments often fail to integrate
7. Larger savings require larger scale consolidations

Not a Short-Term Fix

“I do not see prioritization as a means of solving our immediate budget problems. The primary benefit from prioritization is that it allows us to identify those programs and services that will benefit from new enrollment-growth money as it becomes available. Recombining, reducing and phasing out programs and services will free up funds over time but not immediately.”

Provost, Public Research Institution

A University’s Most Valuable Resource
Increasing Pressure to Allocate Lines in Accordance with Priorities

<table>
<thead>
<tr>
<th>Faculty Line Stays in Department</th>
<th>Faculty Line Reverts to Dean</th>
<th>Faculty Line Reverts to Provost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provost</td>
<td></td>
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<tr>
<td>Dean</td>
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<td>Department</td>
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<tr>
<td>Spanish Department</td>
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<tr>
<td>English Department</td>
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<tr>
<td>Geology Department</td>
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</tr>
<tr>
<td>Observed Frequency</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

Source: EAB interviews and analysis.

Why Haven’t We Done This Already?
Four Roadblocks to Improved Academic Resource Management

1. **Incomplete, Inaccurate Data**
   - Data related to academic resources spread among multiple ERPs and shadow systems of varying quality

2. **Ad Hoc Allocation Processes**
   - Even when metrics are available, unit leaders struggle to design policy interventions to advance their goals

3. **Lack of Unit-Level Incentives**
   - Heads (and some deans) skeptical that departments will receive benefits from their efficiency gains

4. **Few Reallocation Options**
   - Difficult to reallocate specialized faculty from areas of low demand to areas of high demand

Source: EAB interviews and analysis.
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