

# Aligning Faculty Effort to Institutional Mission

Southern Regional Education Board & Huron Webinar Series  
Wednesday, March 31, 2021



# Agenda

This presentation provides an overview of the academic cost structures and key metrics necessary to evaluate how faculty effort at their institution aligns with the institutional mission.

**1**

**Introductions**

**2**

**Developing an Academic Cost Tool**

**3**

**Using the Tool to Align Faculty Effort**

**4**

**Question and Answer Session**

# Introductions

## Experienced Higher Ed Professionals



**Hesham El-Rewini, PhD**

Provost and Senior Vice President  
Marymount University



**Mike Cogan, PhD**

Strategy & Operations Consultant  
Huron Consulting Group

## Poll Question #1






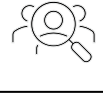
**How would you describe the alignment of faculty effort to the mission of the institution?**

- 
- A. Fully aligned
  - B. Mostly aligned
  - C. Somewhat aligned
  - D. Not aligned
  - E. Do not know

# Determining Academic Cost

## Guiding the Path Forward

Building a robust cost-to-educate model calls for a comprehensive approach and benefits from a mutual understanding of key components impacting expenses and revenues associated with the curriculum.

Task	Component	Objective
<b>Establish Academic Taxonomy</b>	 <b>Curriculum</b>	<ol style="list-style-type: none"> <li>I. Confirm understanding of the academic structure</li> <li>II. Map coursework to the taxonomy to set foundation for cost allocation</li> </ol>
<b>Measure Credit Hour Production</b>	 <b>Coursework</b>	<ol style="list-style-type: none"> <li>I. Inventory courses and calculate credit hours produced by department/program</li> <li>II. Evaluate credit hour growth trends and determine load value</li> </ol>
<b>Define Instructional Load</b>	 <b>Faculty Effort</b>	<ol style="list-style-type: none"> <li>I. Establish college level understanding of faculty effort</li> <li>II. Discuss load calculation caveats including load requirements, reassigned time and co-curricular activity</li> </ol>
<b>Map Direct Cost of Instruction</b>	 <b>Compensation</b>	<ol style="list-style-type: none"> <li>I. Review variability between in load and overload pay</li> <li>II. Confirm methodology for distributing salary across instruction, service, and professional development</li> </ol>
<b>Allocate Overhead Costs</b>	 <b>Overhead</b>	<ol style="list-style-type: none"> <li>I. Confirm understanding and application of functional expense classifications with schools and departments</li> <li>II. Determine metrics for allocating expenses and revenues</li> </ol>
<b>Align Offerings to External Need</b>	 <b>Positioning</b>	<ol style="list-style-type: none"> <li>I. Analyze trends in student and enrollment success to determine capacity for academic excellence and scalability</li> <li>II. Identify state and regional opportunities for differentiation / growth</li> </ol>

**These tasks should be undertaken collaboratively with college, school, and divisional leadership to address important questions, consider feedback, and assure model effectiveness.**

# Determining Academic Cost

## Curriculum & Resource Allocation

Generally, higher education has diluted the linkage between curricular and resource allocation decisions resulting in a lack of integrated information to make informed decisions from a disciplinary perspective.

### Curriculum

Faculty, in collaboration with academic leadership, generally have the responsibility and authority to make curricular decisions involving courses, programs, and majors.



### Coursework

Course offerings at an institution are normally the purview of a department chair or program director who balances instructor availability, student need, and other factors.



### Overhead Costs

Academic administrative support is typically the purview of academic leaders and includes direct and indirect support of instruction, research, and service.



### Instructor Compensation

Academic Deans, through their budget authority, are typically responsible for compensation. This is especially true when considering the allocation of faculty lines and mix.

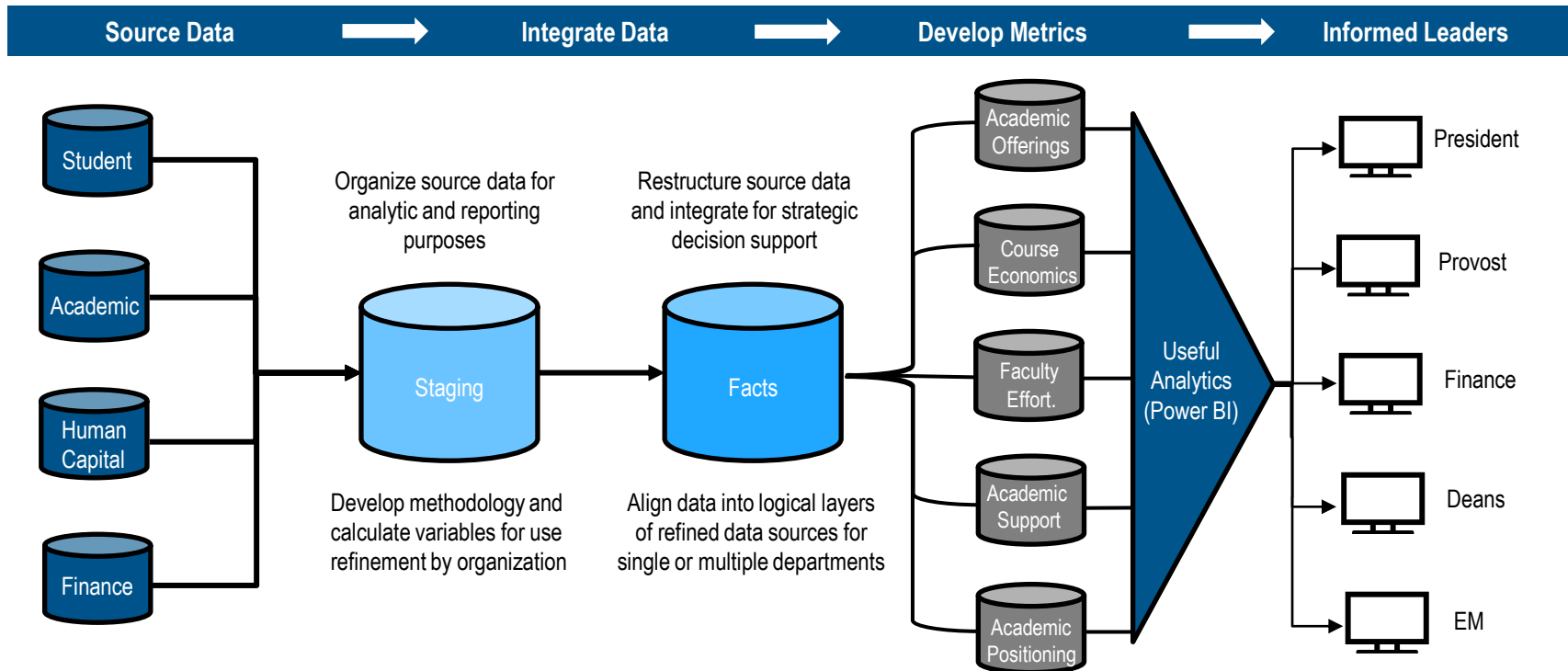


**Strengthening the connection between curriculum and resource allocation approaches is critical, as decisions at the curricular level impact programming, compensation, & mission alignment.**

# Leveraging Institutional Data

## Illustrative Decision Support Structure

Academic metric development requires a dedicated effort to collect, store, and restructure operational data so that it may be leveraged effectively for analytic purposes with opportunities to refresh annually.



**Developing an academic metric fact-base will fundamentally shift the view of senior leaders as they develop the capacity to assess the impact of resource allocation decisions on institutional mission.**

# Net Tuition Revenue Trends

## Our Understanding

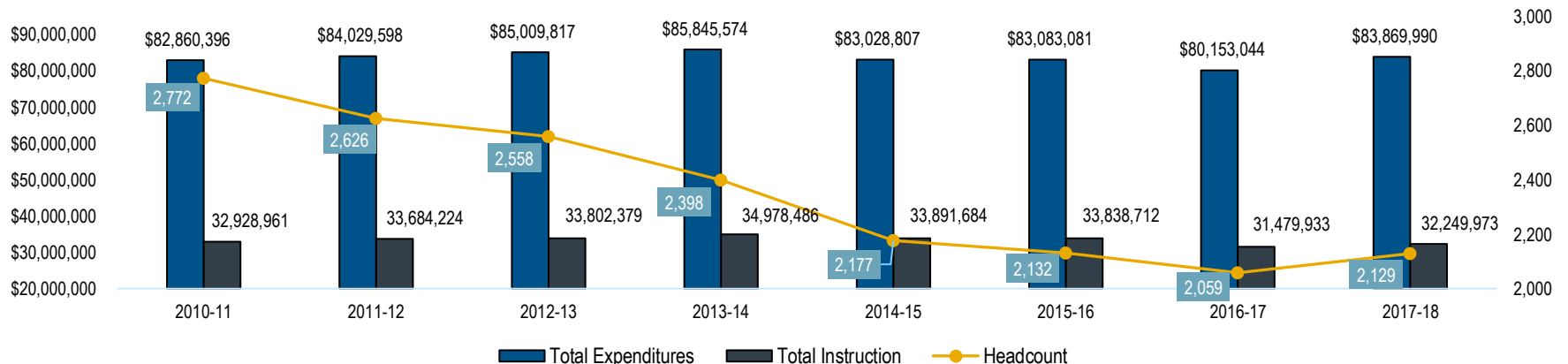
Over the years, universities and colleges have had limited success aligning instructional and academic support expenditures with tuition and other revenue streams such as state appropriations.

- Total expenditures (0.2%) and instructional expenditures (-0.3%) outpaced enrollments (-3.7%) during the seven-years prior to 2017-18
- Since 2017-18, college enrollments have remained relatively stable; however, the institution must continue to adjust expenditures to cover previous enrollment declines, make strategic investments, and COVID related financial losses

Key Growth Rates

Measure <sup>1</sup>	2010-11	2017-18	7-year CAGR <sup>2</sup>
Total Expenditures	\$82.9M	\$83.9M	0.2%
Total Instructional Expenditures	\$32.9M	\$32.2M	-0.3%
Unduplicated HC	2,772	2,129	-3.7%

College Expenditures and Headcount (2010-11 thru 2017-18)



**Historically, higher education organizations faced with financial challenges sought to protect the academic core; however, this strategy is unlikely to resolve all such challenges in the future.**



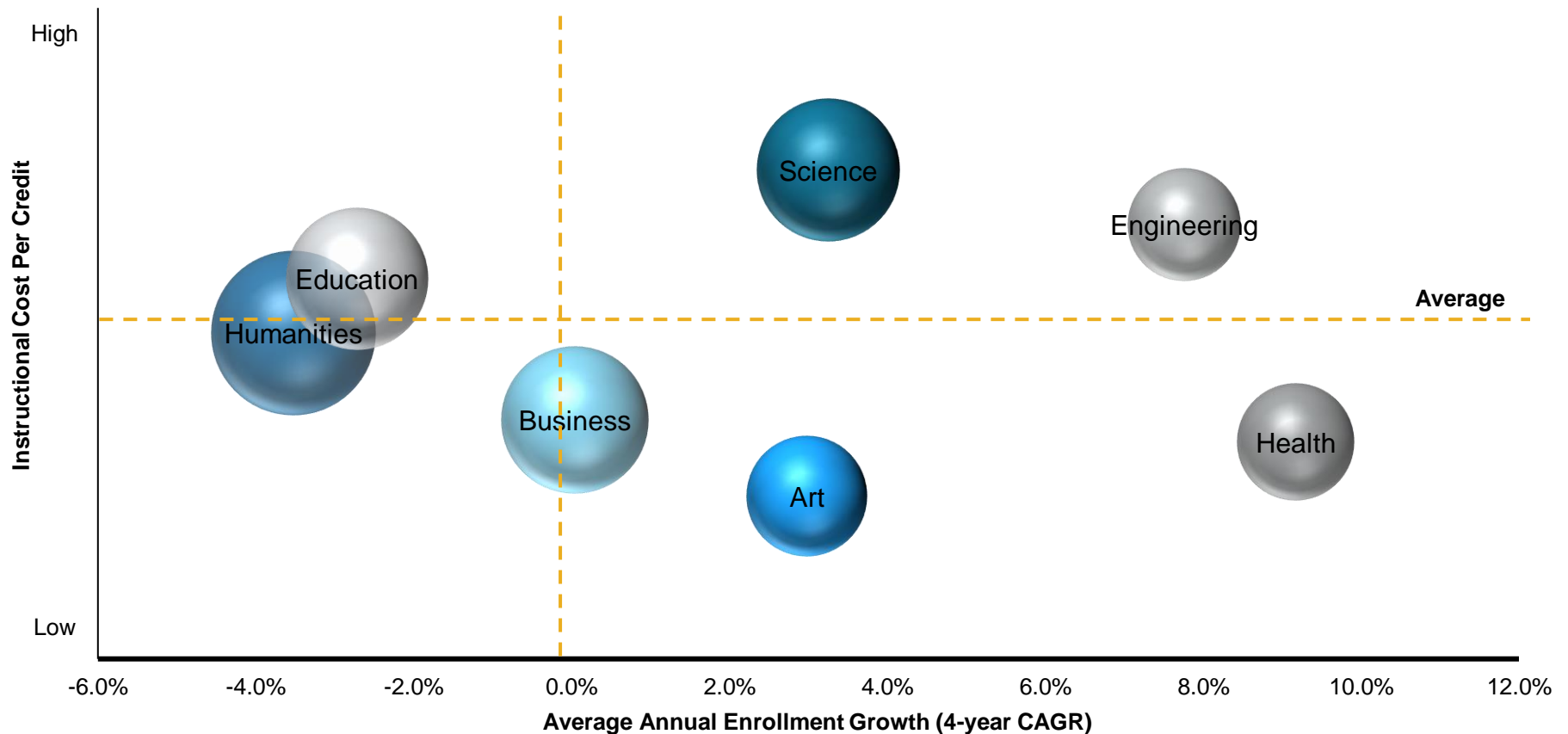
# Academic Portfolio Management

## Academic Cost Outcomes

To assure faculty effort is aligned to institutional mission, leadership should align academic program resources decisions to strategic priorities through investments, contractions, and consolidations.

### Academic Portfolio

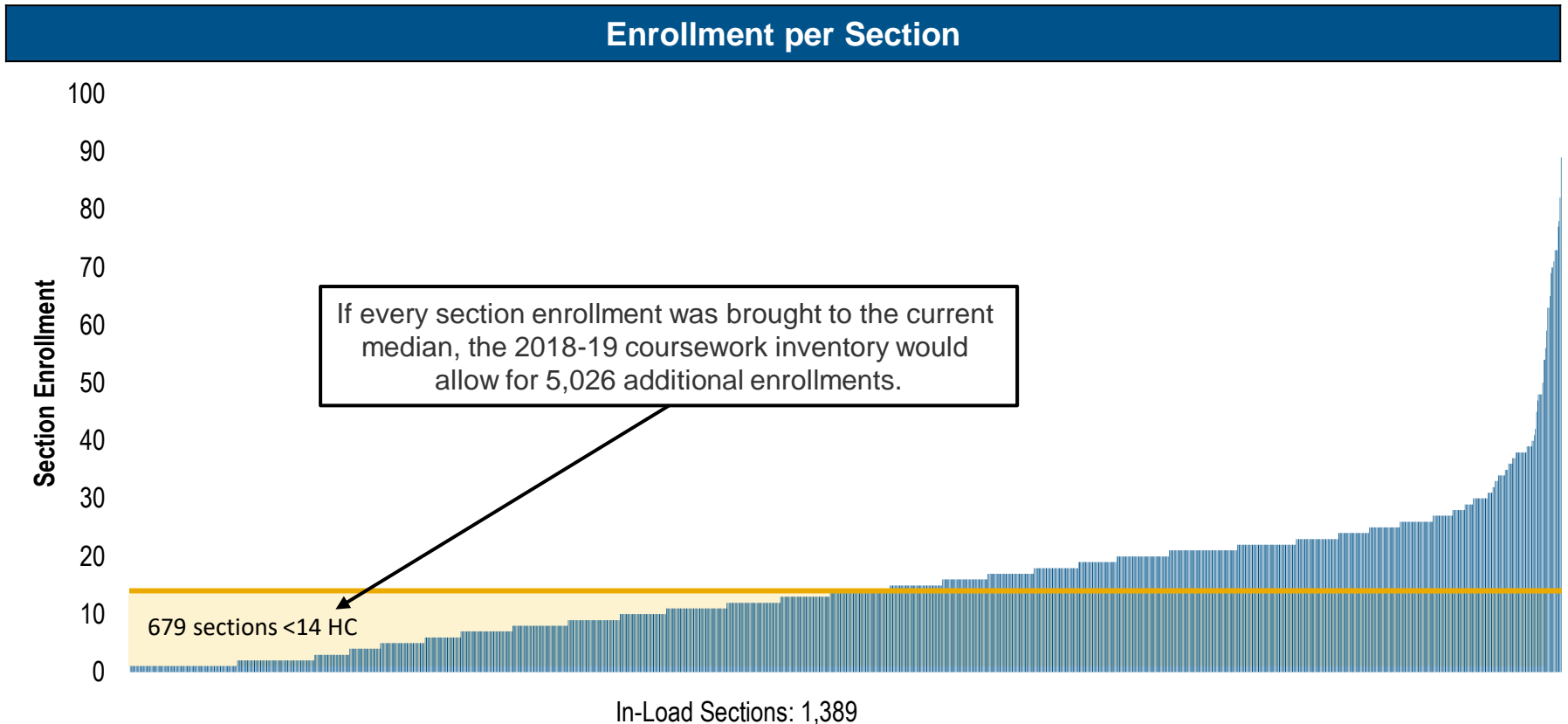
(AY 2020-21)



# Sample Outputs

## Leverage Section Capacity

This sample metric provides academic leadership with an opportunity to imagine a more efficient approach to managing faculty effort by limiting the number of sections below a certain headcount (e.g., 14)



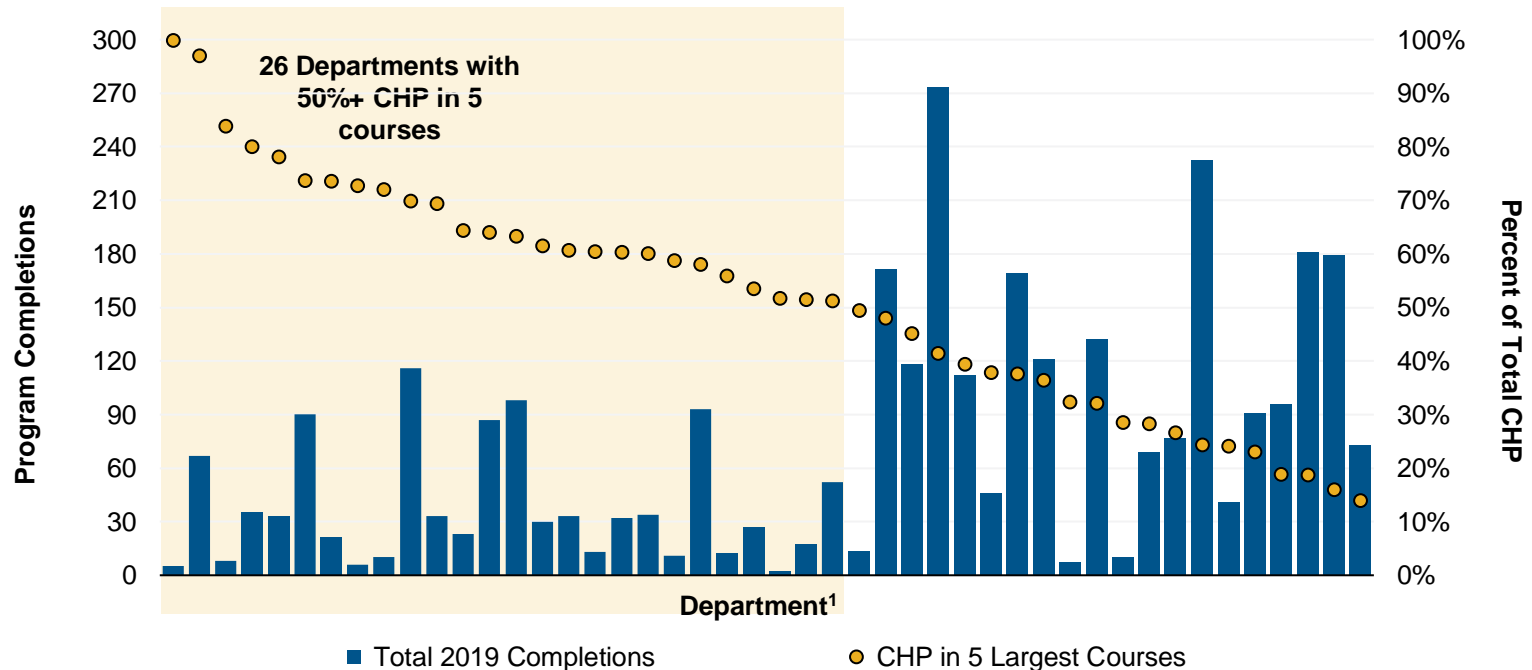
**Higher education organizations will continue to offer courses with suboptimal enrollments; however, quantifying the financial impact of these decisions is critical to aligning faculty effort to mission.**

# Course Economics

## Academic Unit Production

The following graph identifies 26 formally organized academic departments generating more than half their credit hours through five or fewer courses suggesting an emphasis on supporting other disciplines.

Completions and Credit Hour Production by Unit

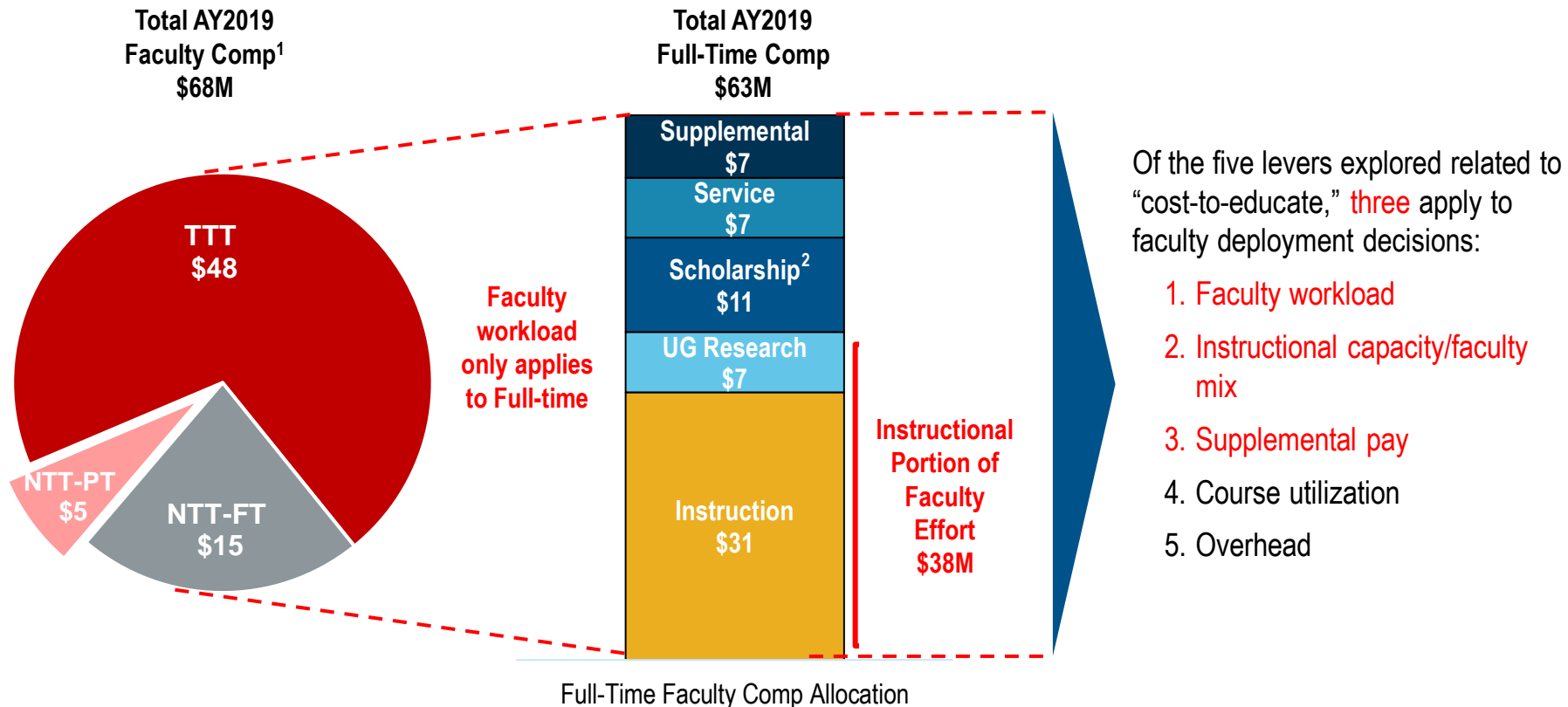


Further, these 26 departments tend to produce fewer degrees and have limited faculty which may result in disproportionate administrative activities and limited teaching and scholarly activity.

# Faculty Effort & Pay

## Compensation by Scholarly Activity

Faculty compensation at this institution totaled \$68M with \$31M of FT faculty effort allocated to traditional instruction activities and \$7.0M in supplemental compensation related to overload, admin activities, etc.

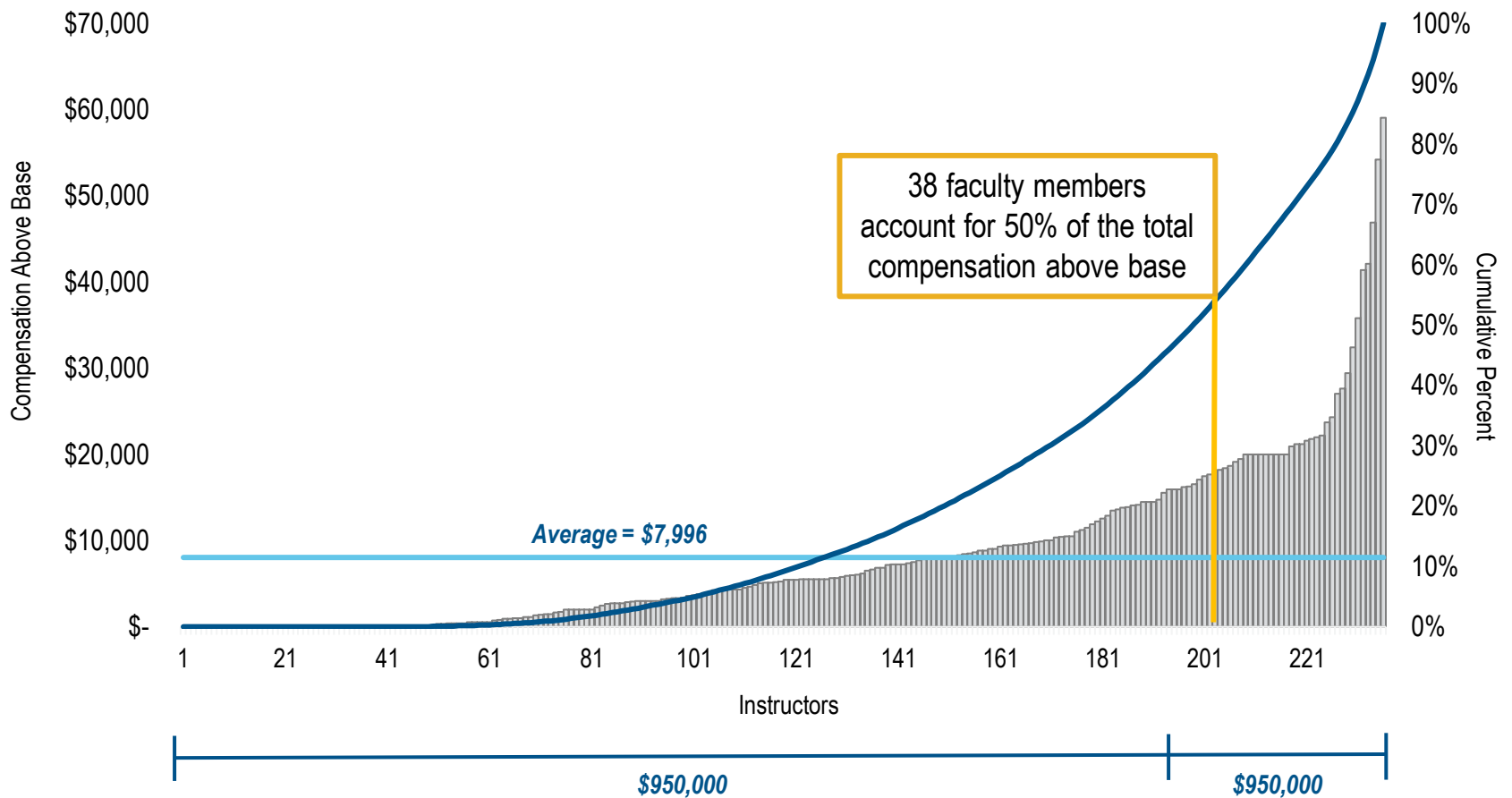


**Establishing an understanding of how resources are allocated across the various forms of scholarly activity establishes a framework for aligning faculty effort to institutional mission.**

# Faculty Effort & Pay

## Compensation Above Base

This graph illustrates the amount of compensation earned above base by each full-time professor at the institution; over half of the total compensation above base was earned by just 38 of the ~400 professors



## Poll Question #2

**How often are financial implications considered when making academic programming decisions?**

- 
- A. All the time
  - B. Most of the time
  - C. At difficult times (financially)
  - D. Not at all
  - E. I don't know

# Graduate Education

## Total Margin by Program

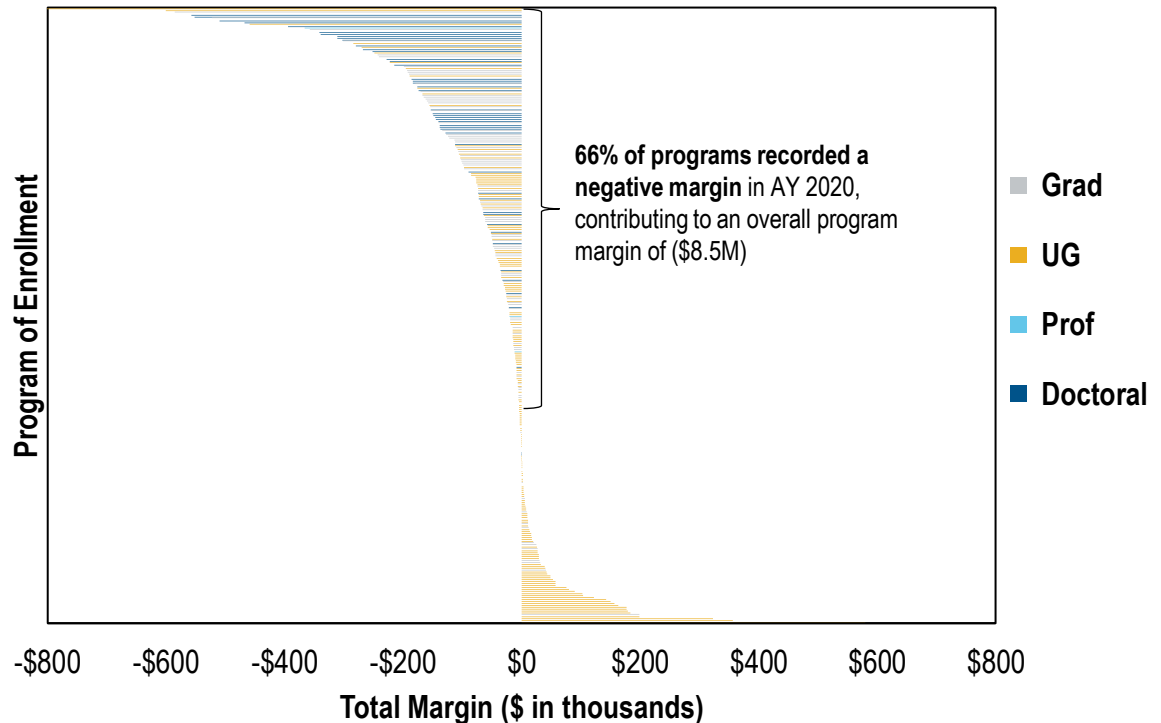
The chart below demonstrates the majority of programs with a positive margin are undergraduate, with post baccalaureate programs reporting a negative margin with an overall institutional deficit of \$8.5M.

Margins are calculated using program costs by student course enrollment and net tuition by student program enrollment (tuition accrued less waivers). Waived tuition dramatically impacted graduate-level revenues.

Level	Average Waiver
Doctoral	81.2%
Masters	52.3%
Other Graduate	30.9%
Undergraduate	8.3%

Graduate-level waivers totaled \$10.2M in AY19-20, across ~3,600 students

Total Margin by Program<sup>1</sup>  
AY 2019-2020



**While a typical academic portfolio will have net losses and gains, this particular institution's portfolio weighed more heavily on the loss side, primarily driven by graduate-level programs.**

# Sample Outputs

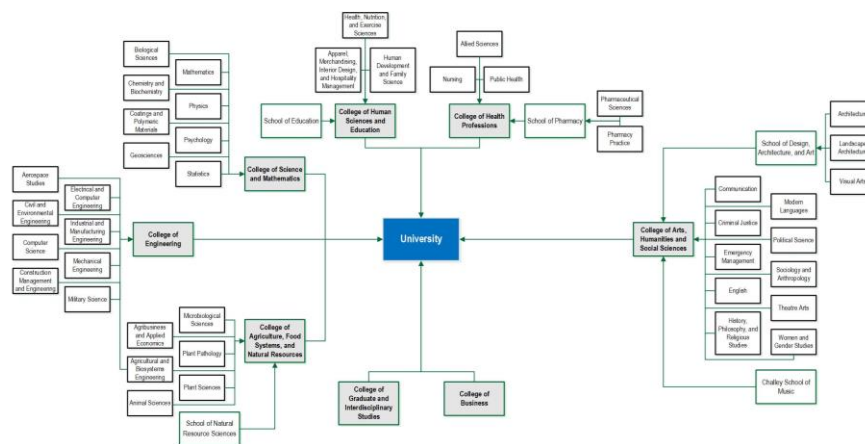
## Minimize Academic Overhead

Smaller departments are often less efficient and require a disproportionate number of resources, presenting opportunities to reduce academic overhead by reimagining these administrative structures.

### Observations

- **Redirect and refocus academic resources** to improve pedagogical practices in alignment with institutional strategies.
- **Renew focus on teaching**, benefiting student experience and institutional reputation.
- **Renew focus on interdisciplinary activity** by clustering disciplines and reducing administrative effort.
- **Reduce the number of departments** to streamline processes, encourage collaboration, and reduce administrative costs.
  - **Reduce administrative cost associated** with leadership titles (e.g., chairs and directors).
  - **Reduce duplication of academic support staff** by taking advantage of scale and leveraging central resources.

### Low Enrollment Impact on Load



Academic Support Reduction Scenarios	
Reduce By	Cost Savings
10%	\$700,000
15%	\$1,050,000
20%	\$1,400,000

**Approximately 24% of faculty had administrative roles (e.g., chairs and directors) within this institution, resulting in added contingent faculty, redundant activities, and poor student service.**



# Program Growth Opportunities

## Positioning Matrix

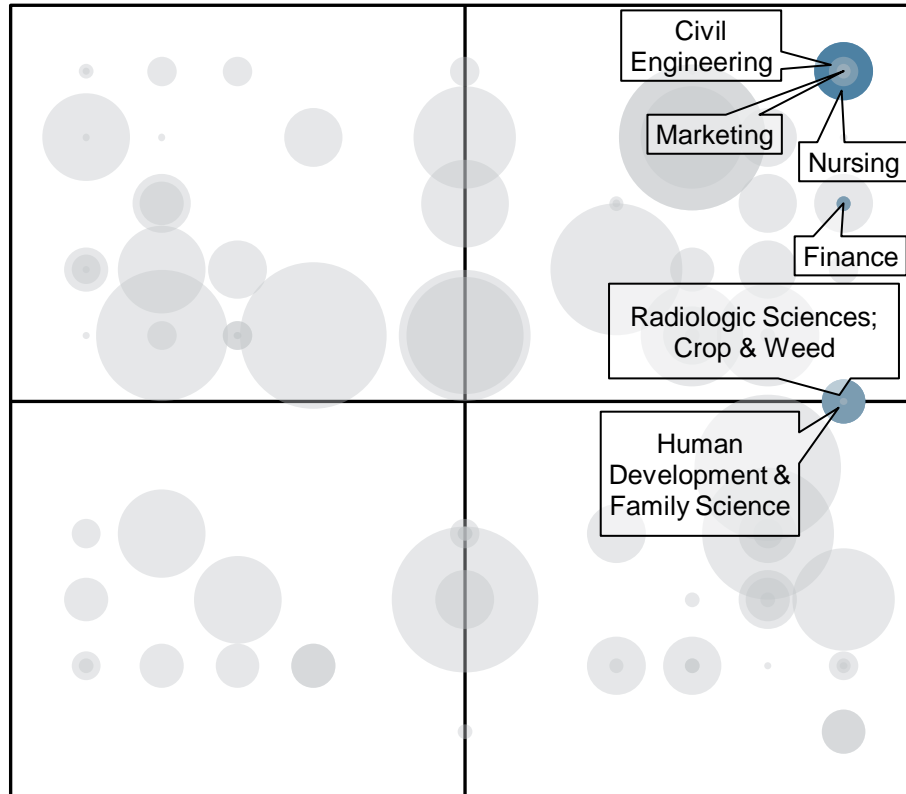
The matrix below organizes university programs according to the change in completions and corresponding occupations<sup>1</sup> over a five-year period, with size representing the cost of each program.

### More Occupations Fewer Completions

- 28 programs
- 479 completions
- Average program cost per CHP of **\$430**

- 16 programs
- 203 completions
- Average program cost per CHP of **\$398**

### Fewer Occupations Fewer Completions



### More Occupations More Completions

- 26 programs
- 1,166 completions
- Average program cost per CHP of **\$450**

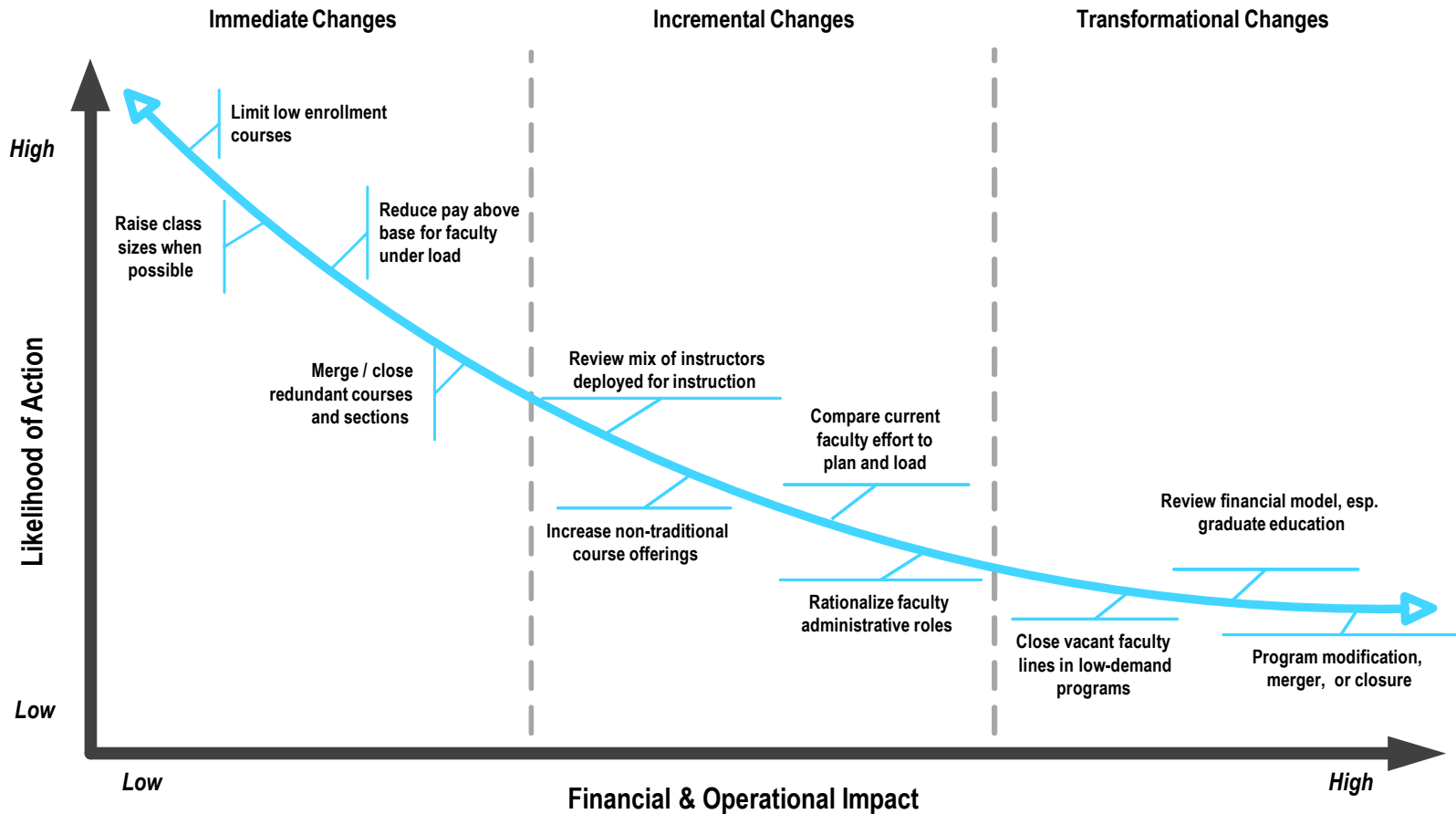
- 21 programs
- 434 completions
- Average program cost per CHP of **\$407**

### Fewer Occupations More Completions

# Change Leadership

## Academic Portfolio Management Opportunities

When faced with resource constraints, institutions have historically focused on immediate and incremental changes, forgoing the risks associated with transforming faculty work to align with institutional mission.



# Join Us: Upcoming Sessions

Topic	Date	Time
<b>Administrative efficiencies enhance the mission</b>	April 14 <sup>th</sup>	2:00 p.m. EDT
Filling classes: enrollment management and strategy	April 28 <sup>th</sup>	2:00 p.m. EDT
Ensuring community colleges emerge from the pandemic stronger	May 12 <sup>th</sup>	2:00 p.m. EDT

# Group Discussion

Learn more: [www.HuronConsultingGroup.com](http://www.HuronConsultingGroup.com)

