


Leading enduring institutional change...

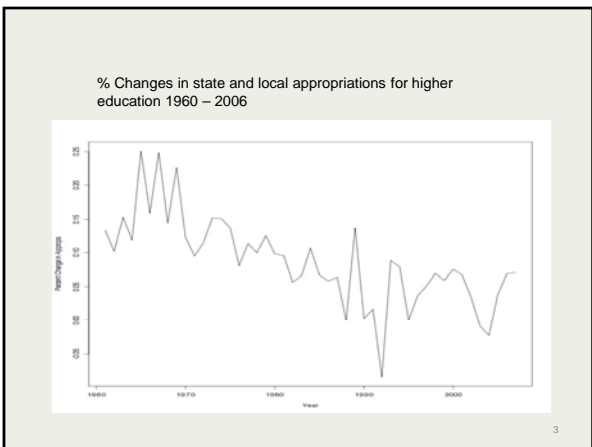
even in tight fiscal times

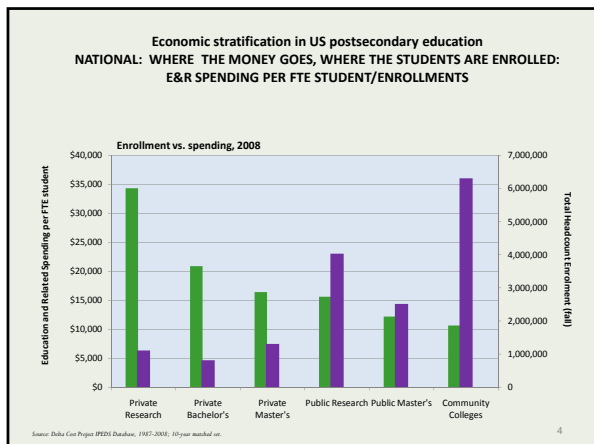
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The conditions as they exist: contrary propositions we must try to reconcile

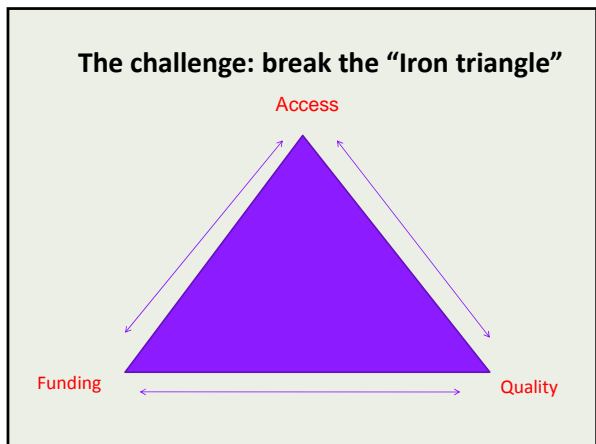
- Professed goal to increase educational attainment
- Privatization of resources
- Growing financial stratification between institutions and sectors
- Spending cuts following recessions occurring primarily in instructional areas
- Public revenues not likely to return past 2006 levels any time in the next decade
- Public opinion skeptical of need for new investments
- Weak evidence about the relation between spending and results
- Poor use of evidence about spending within the academy







- Learning from the past... budget balancing v. strategic finance**
- In previous recessions, institutions managed largely by muddling through
 - Tuition increases
 - Across the board reductions
 - Spending reductions that fall heaviest on instruction
 - Intentionality matters as much or more than money alone
 - When money returns, spending goes up in...
 - Merit aid
 - Capital campaigns and endowed chairs for research
 - Administration
 - Employee benefits



Tentative conclusions from research on money and effectiveness

- Weak evidence about overall \$ and results – when measured by outcomes
- Intentionality matters as much or more than money alone
- Spending on instruction and student services pays off in learning, retention and graduation
- Student aid programs with work-component make a difference in retention
- Excess units cost institutions money, cost students time and money, and do not get students to the finish line

Finding cost reductions: Reducing spending...strategically

- Find ways to reduce spending to create resources for reinvestment -- "strategic disinvestment"
- Candidates for attention:
 - Employee benefits
 - Merit aid
 - "Mission creep" in the absence of public need
 - Redundant administrative layers
 - Energy costs
 - Under-enrolled and unproductive graduate programs

Increasing academic performance

- Investments that don't cost a lot and that make a difference in academic performance
 - Academic program alignment (esp w/2-4 yr instit)
 - Curriculum 'cleaning'
 - Creation of common intellectual experiences and collaborative assignments for 1st and 2nd year students
 - Intensive advising
 - Attention to causes of unnecessary attrition and excess credits
 - Faculty renewal and reinvestment

Increasing academic performance

- Cost-effective investments: higher marginal costs but high payoff
 - Learning communities
 - Writing intensive courses
 - Collaborative assignments
 - Undergraduate research
 - Service learning
 - Internships
 - Capstone courses

The importance of leadership

- New mental models for resources and investment
- Create sense of possibility and purpose
- Stabilize and insulate without becoming insular
- Recognize and reward innovation



- <http://www.deltacostproject.org>
- Institution-level data using Delta metrics: <http://www.tcs-online.org>

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Estimates of attainment goals/gaps from NCHEMS. Data on state revenue trends from Doyle and Delaney. Model for estimating performance gains against attainment goals from Patrick Kelly at NCHEMS; may be downloaded from <http://www.higheredinfo.org>. All other data are from Delta Cost Project spending data base.
