

How Higher Ed Can Emerge Stronger Post-Pandemic

Southern Regional Education Board & Huron Webinar Series
Wednesday, March 17, 2021



Agenda

1. Introductions
2. Higher education market trends
3. New challenges posed by COVID-19
4. Case studies
5. Implications for higher ed operating models
6. Q&A / group discussion

Introductions: Today's Presenters



Dr. Glen D. Johnson
Chancellor, Oklahoma State
System of Higher Education



John Curry
Principal, Huron



Jennifer Ramey
Director, Huron

Poll Question #1

What is your role at your institution?

1. Trustees/Regents
2. President
3. Provost
4. Dean
5. CFO/ VP Enrollment Management
6. Legislators
7. Other

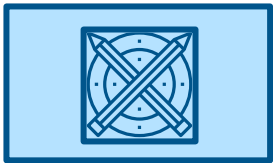
Recent Higher Education Market Trends



Changing student demographics, populations, and needs



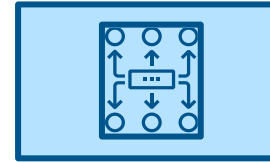
Increasing student and parent price sensitivity



Decreasing “half-life” of skills and increased demand for them



Rise of online learning, competency-based education, and alternative education pathways



Challenges to core Higher Ed business model



Changes in government funding



Corporations and private industry driving basic research

COVID-19 Operational Impacts



ENROLLMENT¹

Material declines in enrollment across most demographics:

- Overall: 2.5%
- Public institutions: 4.0%
- Freshman: 13.1%
- Comm. Colleges: 10.1%
- Int'l Students: 16.0%
- First-time Intl's: 43%



STATE FUNDING²

Widespread state funding disbursement freezes and cuts enacted in 2020-21 academic year

FY22 projections show varied approach across states (some investing, some cutting)



RE-OPENING COSTS³

Significant costs tied to testing and other safety / re-opening protocols

- \$24 billion in estimated expenses industry-wide
- CARES Act funding insufficient for many institutions



AUXILIARY REVENUES⁴

Proliferation of housing / dining refunds and other lost auxiliary revenues tied to high fixed costs

NCAA distribution of funds to Division I schools down 60%, from \$611M to \$246M



TUITION DISCOUNTING⁵

2020-21 academic year saw the lowest average 4-year sticker price increase since 1990

Tuition discounts of 10-25% at many privates offered in Fall and Spring semesters

1. <https://www.insidehighered.com/news/2020/12/17/final-fall-enrollment-numbers-show-pandemics-full-impact>

2. <https://www.americanprogress.org/issues/education-postsecondary/reports/2020/06/11/485963/mounting-peril-public-higher-education-coronavirus-pandemic/>

3. <https://www.chronicle.com/article/how-to-fight-covid-financial-crush>

4. <https://www.usatoday.com/story/sports/college/2021/01/25/ncaa-revenue-decrease-due-to-no-basketball-tournament/6699352002/>

5. <https://www.cnbc.com/2020/10/27/coronavirus-slows-pace-of-college-tuition-increases.html>

Relevant Case Studies

Public Research University

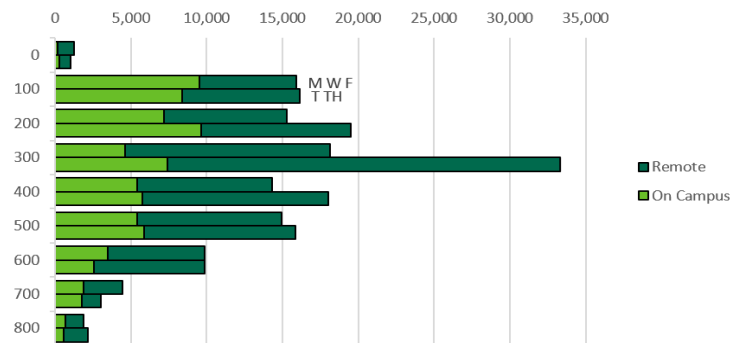
A mid-sized public research university needed to test a wide range of reopening scenarios to evaluate classroom, scheduling, and social distancing constraints and develop a return-to-campus plan.

CHALLENGE

Fall 2020 Reopening Concerns

- Adherence to health and safety and social distancing guidelines
- Academic instruction capacity
- Custodial support for turnover cleaning
- Uncertain on-campus enrollment

On-Campus and Remote Minutes of Instruction by Level



On Campus	Students Starting or In Class				
	M	T	W	TH	F
6:30 AM	0	92	69	60	68
8:00 AM	53	417	226	420	156
8:05 AM	231	479	413	501	250
8:30 AM	276	1113	453	1063	520
9:00 AM	329	1212	359	1211	448
9:10 AM	931	1294	1133	1293	1158
9:30 AM	930	1452	1125	1445	1150
9:45 AM	930	1090	1125	1083	1150
9:50 AM	930	737	1030	653	1126
10:00 AM	250	1518	358	1412	302
10:15 AM	1345	1818	1548	1639	1321
11:05 AM	221	1486	277	1422	336
11:15 AM	221	917	277	853	336
11:20 AM	767	589	1085	605	975
11:30 AM	743	477	1093	515	975
11:50 AM	678	275	1057	318	967
12:00 PM	666	340	1044	244	938
12:05 PM	638	340	998	244	876
12:10 PM	113	364	425	244	270
12:15 PM	386	361	698	241	543
12:25 PM	1098	361	1535	193	1164

Highly variable classroom utilization rates depended on day and times

GOAL

Classroom Planning Model

A classroom supply-and-demand planning model allowed leaders to project Fall 2020 course-level enrollments, determine optimal classroom and time block assignments, and plan for the share of on-campus vs. remote instruction based on custodial resources and space capacity

50 Square Feet

Target Instructional Space per Person

OUTCOME

A data-informed plan for on-campus instruction was foundational for reopening of research, auxiliary, and other administrative facilities

Kansas State University

Enhanced data insights and a new collaborative governance structure helped K-State lay the foundation for a strategic enrollment management plan to reverse enrollment declines and stabilize tuition revenues.

CHALLENGE

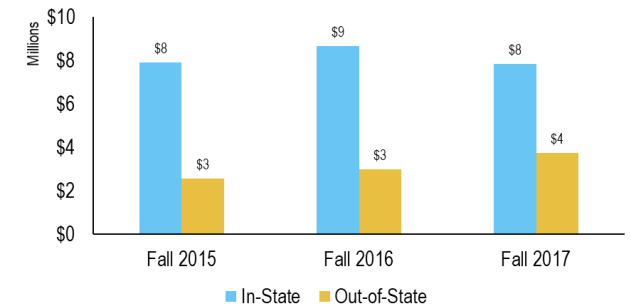
Enrollment Pain Points

- Declines in-state and out-of-state first year, transfer, and international student cohorts
- No single “source of truth” for recruiting and enrollment data
- Disagreement among leaders, faculty, and staff regarding a path forward

11%

Decline in in-state and out-of-state freshmen, Fall 2012 - 2017

Total Institutional Aid* by In-State vs. Out-of-State Residency, Domestic Freshmen (Fall 2015-Fall 2017)

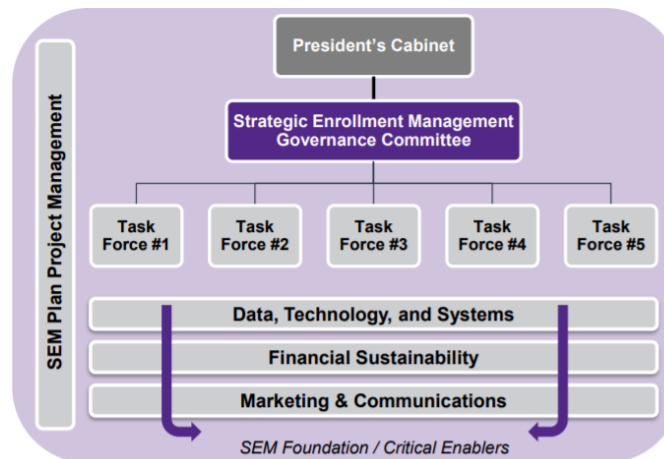


Nonresident tuition rates were not competitive; in-state aid was not broadly distributed

GOAL

Data Clarity & Governance

Improved data stewardship and a clearer understanding of tuition price elasticity laid the foundation for an elimination of institutional siloes, reorganization of the enrollment management function, and a collaborative governance approach aligned more closely with schools and colleges.



OUTCOME

Despite Fall 2020 COVID-driven enrollment declines, the data-informed SEM framework enabled a rapid “pivot to the future” and sophisticated insight into the disruption

Private New England University

A top mid-sized private university in New England needed support in establishing policies and managing operational processes to safely and equitably reopen campus for the fall semester.

CHALLENGE

Lack of Management Practices

- High need for visibility and transparency across the leadership team on metrics and progress of the testing program
- Many departments engaged to support testing of employees and students
- Lack of standard systems and processes to manage testing

2x

Most students and employees are required to test twice per week

Many Stakeholder Groups

4 Vendors

100+ Employees

10+ Departments

3 Committees

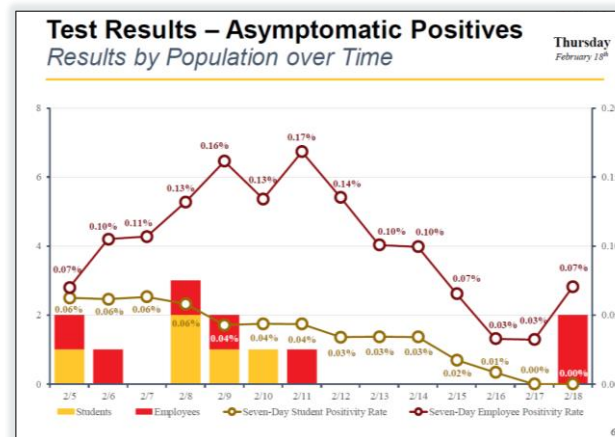
GOAL

Operational Structure for Testing

Establish a common set of management, communication, and compliance practices for the testing program to ensure accountability and transparency across all relevant campus stakeholder groups including the President's cabinet and the Board of Trustees.

OUTCOME

Standardized processes for communication, follow-up, and issue triage. Daily operational reporting on the progress and results of the testing program.



Marymount University

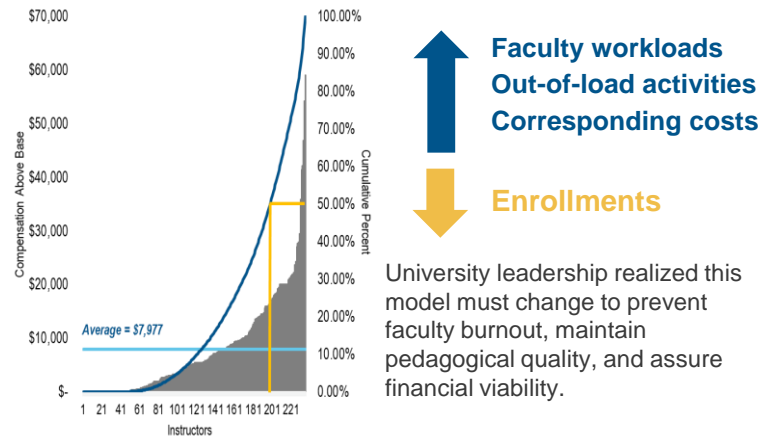
In 2020, Marymount University developed a comprehensive academic cost-to-educate model to inform resource allocation decisions, reduce overhead costs, and increase interdisciplinary activity.

CHALLENGE

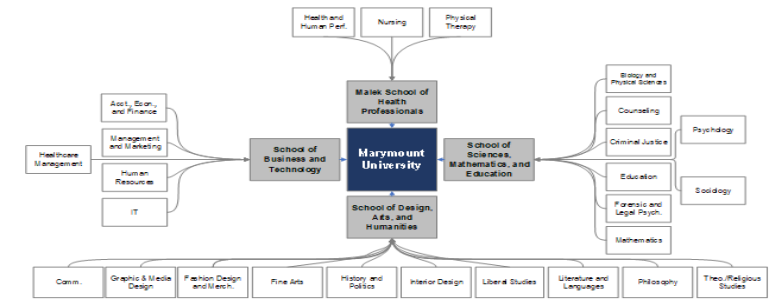
Operating Expenditure Alignment

- Rising overhead costs within the academic affairs unit
- Increased faculty workload necessary to support administrative activities
- Lack of clarity regarding the cost of delivering the university's curriculum

Faculty Compensation Above Base



Traditional Academic Structure



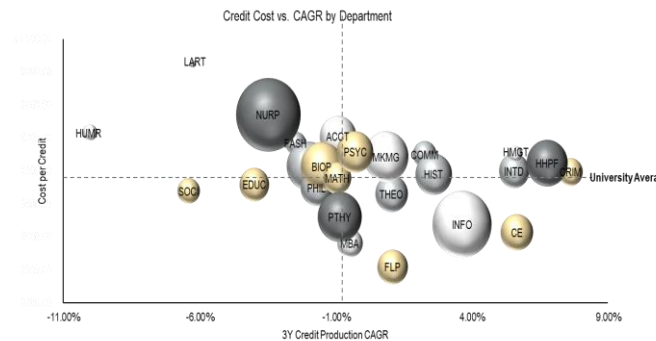
Four schools and 25 departments required significant staff and faculty resources resulting in redundant activities and decreased service levels.

GOAL

Emphasize Teaching and Research

Establish a comprehensive cost-to-educate model to streamline the academic structure, improve program economics, focus faculty effort, and reduce administrative overhead costs to fund short and long-term strategic planning initiatives related to teaching and research.

Cost per Credit by Year-over-Year Growth



Over time, administrative activity within academic departments contributed to higher overhead costs despite decreased demand.

OUTCOME

Academic Alignment

- Introduced a new organizational structure to enhance interdisciplinary activity
- Reduced overhead costs by more than 50%
- Developed a framework to create a relevant, adaptable, and in-demand curricula

Change Management Lessons Learned

Effective change management is critical to ensure that college and university initiatives—COVID-related or other—are implemented successfully.

OVERVIEW

Thoughtful Approach to Change

- Despite successes highlighted on previous slides, institutions saw myriad initiatives fail in recent years
- Careful consideration of all impacted stakeholders is especially critical
- Must strike appropriate balance between planning, analysis and action

~70%
of change programs fail to achieve their goals, typically due to lack of leadership support and staff resistance

Huron's "4 E's" Framework

Engagement
Equity
Enrollment
Endowment

EXAMPLES



Attempted sale of Rose Museum assets



Attempted College of Chemistry dissolution



Attempted closure



Attempted elimination of liberal arts majors

Drivers of Sustainable Change



CONCLUSION

Material change is sometimes necessary to ensure an institution's long-term success but must be championed and rolled out carefully to build consensus amongst impacted stakeholders.

Poll Question #2

Which case study reflects your current challenges and priorities to address?

-
1. Operational Change
 2. Enrollment Strategy
 3. Campus Reopening
 4. Academic Portfolio
 5. Change Management
 6. Other

Poll Question #3

Which kinds of change management issues are you wrestling with today?

Submit your answers in the chat.

A photograph of two young women walking on a staircase, overlaid with a blue tint. The woman in the foreground is smiling and looking towards the camera, wearing a plaid shirt and jeans, and holding a phone. The woman in the background is looking down, wearing a patterned dress. The text "Longer Term Implications" is centered over the image in white.

Longer Term Implications

Longer-term Higher Ed Implications



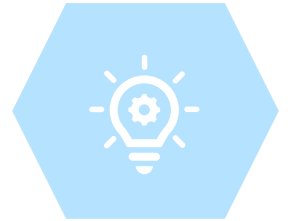
**ENROLLMENT
SHIFTS**



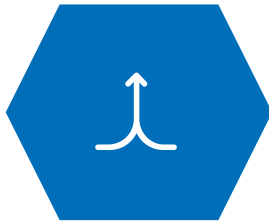
**ACADEMIC
OVERHAULS**



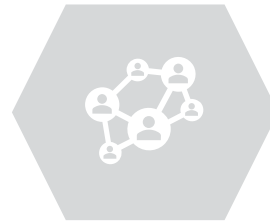
**STUDENT
DEBT BURDEN**



INNOVATION



**MERGERS &
ACQUISITIONS**



**ALTERNATIVE WORK
ARRANGEMENTS**



**TUITION
RELIANCE**

Join Us: Upcoming Sessions

Topic	Date	Time
Aligning faculty effort to institutional mission	March 31 st	2:00 p.m. EDT
Administrative efficiencies enhance the mission	April 14 th	2:00 p.m. EDT
Filling classes: enrollment management and strategy	April 28 th	2:00 p.m. EDT
Ensuring community colleges emerge from the pandemic stronger	May 12 th	2:00 p.m. EDT

Question & Answer and Group Discussion

Learn more: www.HuronConsultingGroup.com

