East Tennessee State University's 125 Chapter II Fiscal Sustainability Taskforce Report

July 6, 2021

Purpose:

Engage the campus in formulating strategies and actions for sustaining the programs, personnel, and infrastructure necessary to meet the core components of ETSU's mission: Education, Research and Scholarly Activity, and Community Engagement and Service.

The task force will consider approaches, including but not limited to new revenue sources, cost reductions, and the development of more efficient systems.

Strategic Academic Vision:

A dynamic future of actual 'Fiscal Sustainability' involves a combination of the practical and the ideal. For the 'Fiscal' elements, practical, efficient, and effective systems support planning, evaluation, and operations. For 'Sustainability,' the systems must connect to the ideals and values which generate motivation and purpose, tying actions to ETSU's mission. In our task force work, we identified two practical concepts, Efficiencies/Expenditures and Revenues/Income, and two conceptual ideals, Community and Transparency/Decision Support around which to formulate our vision and ideas.

In this future the task force imagines below, ETSU's purpose is shared and understood. Our vision intertwines these ideals and practical concepts.

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Over the next two to four years, ETSU navigates a narrow passage through which much must be accomplished. Before reaching the demographic cliff, ETSU learns from both success and setbacks since the first round of our 125 planning. ETSU recasts and reinvents across the organization and finds ways to not just survive but to thrive. Given the short timeline and breadth of this challenge, ETSU weathers setbacks and creates opportunities; all with coordination, cooperation, and thoughtful planning and decisiveness.

In achieving fiscal sustainability ETSU broadens and deepens its community through market reach and regional impact. Elemental to both growth and sustainability, ETSU becomes the institution of choice for a broadening array of constituencies. These include students both online and on-campus, employers in the region, current and future faculty and staff, and individuals in our region benefiting from our teaching, professional and clinical operations, research, service, arts, and athletics.

ETSU effectively demonstrates and communicates the value of all programs and services. ETSU attracts students with wide-ranging motivations and ages. Whether a student be a philosophy major, a bluegrass enthusiast, an entrepreneur, a medical professional, or life-long learner, all experience and understand the value of their ETSU training and education. Employers, community members, governmental officials, and other financial donors and supporters also see, understand, and experience the value that ETSU brings to the region. ETSU develops and promotes programs and policies enhancing the equity and inclusion of our university and region. All are better together.

ETSU continues to grow as a destination, both as a campus and as an online and virtual leader in education, research, the arts, athletics, and services. ETSU's state-of-the art facilities combines with academics, professional programs, athletics, and the arts to create opportunities for all students of all ages. Retention and enrollment growth in online and on-ground programs attract traditional 18-year-old first-year student, transfer students, working adults, and life-long learners. Our university and our region's people and natural beauty combine to attract students, researchers, medical professionals, business leaders, Buccaneer fans, arts lovers, and conferences goers. Each community sees ETSU as an experience, not just an education. When anyone is searching for an education, a career, a partnership, a collaboration, a clinic, or an experience, ETSU remains the first, best option.

In addition, our regional footprint expands across Tennessee and neighboring states. Prominent programs reach even further garnering national and international rankings and reputations. Students of all ages find the programs and modalities they need and at a cost, schedule, and frequency that supports their goals and ambitions. Employers, industry, and institutions actively seek out ETSU as a partner in mutually beneficial endeavors. All these communities must grow. And to foster sustainably, ETSU strikes the balance between the compelling ideal of a large, all-inclusive service mandate with the need to be pragmatic, targeted, and planful in scope.

As programs and services grow, faculty, staff, and administration use creativity, collaboration, and innovation to meet current and to anticipate and even create future demands. ETSU successful program and service initiatives stand-out in increasingly competitive marketplaces. Newly created programs combine with reimagined, foundational programs, demonstrating the qualities that make them the first, the only, or the best in their fields. These innovative qualities set ETSU apart and attracts students, faculty, and partners. With this growth comes growth in all streams of revenue and income: tuition, state appropriations, grants, contracts, patents, clinics, donations, and ticket sales.

ETSU is also known for internal communities whose creativity, efforts, and energies make this university run. Faculty and staff share in developing, implementing, and evaluating the goals and plans needed to move everyone forward. ETSU employees see themselves as partners working towards a collective success. As systems and process evolve, so do employees' job skills and opportunities. As staff stop doing something today, they engage in a new opportunity for tomorrow

ETSU recruits and retains a talented and dedicated faculty and staff who see ETSU as a destination employer. Careful planning allows the institution to raise base salaries, compete for talent, redress salary compression, and increase GA (Graduate Assistant) stipends. ETSU operates ahead of market changes such as increases in the federal minimum wage, the demand for more varied compensation options, and the demands for better, more demonstrable work/life balance. Individual performance is incentivized and rewarded with merit pay and compensation tied to meaningful annual planning and evaluations.

ETSU is renowned for its transparency, planning, and decision supports. Students know the true costs and benefits of their selected courses of study. Combinations of simplified tuition models, differential tuition, and free or affordable instructional materials reduce or even eliminate the need for itemized fees. Transparency, program planning, and tuition-models capture the true costs of instruction. Faculty,

staff, and administrators benefit from transparency in all phases of budget planning and expenditures. Ever-improving training and communications supports good decision making at all levels and promotes the development and understanding of a shared mission. The empowered make better decisions.

The distribution and expenditure of funds remains tied to the mission and strategic plans of every unit. Colleges and administrative support units use regular budget projections to proactively grow strategic programs, courses of study, and other mission-critical initiatives. Academic programs are constantly improving and evolving with annual program reviews built on readily available quantitative and qualitative data. Faculty and program chairs use dashboards synthesizing data in real time to make informed decisions bases the actual costs of instruction and as tied to their goals and objectives. Workloads and supports are set to achieve each unit's plans. Key performance indicators inform programmatic assessments and create direct impacts on funding at the department, college, university, and state levels.

ETSU budget and planning model balances college autonomy and creative competition with collective accountability and collaboration. Collaboration exists as the rule not the exception. Collaboration across colleges, departments, operational units, and other campus-stakeholders is incentivized at college and administrative levels. Colleges and the administration regularly manage sustained reserve and strategic initiative funds. Faculty and staff make timely and effective investments to grow programs, advance research, and to recruit and retain talent.

Responsive budget models, growth in key programs, and informed, transparent strategic planning and assessments give colleges and the administration the wherewithal to manage financial setbacks and weather programmatic declines in enrollments. When colleges, the administration, and other units make choices on which initiatives to fund, being 'good' may not be good enough. Not every initiative receives additional resources so difficult choices are made. To that end, collective planning and operational effectiveness supports identifying which initiatives are the 'best' at meeting the mission and provides the transparency and opportunities needed for building informed consensus.

A combination of growth and operational efficiencies continue to provide resources that maintain institutional reserves and provide funds at college and administrative levels to advance strategic initiatives. The vision of collective success lives in the tangible expressions of effective and efficient planning, assessment, and operational systems. These turn ideas into actions.

Innovative technologies and processes create the space to reinvent more efficient budget, procurement, enrollment, and personnel processes. Decisions regarding internal policies, processes, controls, and transactions are informed by a cost/benefit analysis regarding downstream impacts on other units and the university.

This broad-based institutional understanding supports identifying and rectifying operational inefficiencies. Decisions are expedited and expenditures are wisely made. New processes built on shared vision and mutual understanding fuel synergies across departments, colleges, and administrative operations. Service centers and administrative support units, now fully integrated into the academic and administrative planning and budget processes, move away the transactional and embrace the

transformational. Campus operations thrive in a climate where duplication of effort and self-inflicted, red-tape procedures are replaced with cooperation and innovation. ETSU navigates constant headwinds to growth and success by making sure we get out of our own way.

Reducing redundancies does not mean reducing faculty and staff. Rather, everyone works with their units, supervisors, and the administration to rethink and retool. These efficiencies open opportunities to reinvest to support the growth of our high-demand programs, our access mission, and our service activities across the region. ETSU achieves even more with the people who choose to work and build their careers at this institution.

ETSU's model of operational efficiency not only improves organizational effectiveness but also instills confidence and support from funders, donors, and our communities. Peer institutions seek to learn from our highly ranked programs and award-winning planning and operations. Tennesseans and institutions across the country look to ETSU as a model regional comprehensive research university and exemplar in regional service and economic development. People know our university for not only for what we do but also for how we get things done.

Outcomes & Accomplishments:

Year 1-3 (2024):

- Align investments and spending strategies with new strategic vision and goals at college and administrative levels.
- Identify and invest in the policies, workflows, and technologies that allow the university to operate more efficiently and quickly gather real-time data required to make better informed financial decisions.
    - Use the multiyear implementation of ETSU's next Enterprise Resource Planning system as catalyst for updating and, in many cases, replacing operational workflows.
    - Identify process efficiencies across the university to standardize activities and utilize personnel to their fullest potential.
    - Determine the cost/benefit of compliance with unit-level policies and workflows.
    - Document internal processes in a standard way across campus to promote efficiencies, continuity, and transparency.
- Develop and implement annual academic program planning and assessment processes and metrics that inform program-, department-, and college-level budgeting, planning, program appraisals, faculty workload, administrative supports, and student recruiting/retention. Performance outcomes determine future changes in budgets, workloads, and administrative supports.
- Align annual performance evaluation and planning processes with strategic planning and assessments across all levels: program, department, college or unit.
- Resume implementation of ETSU modified Responsibility Center budget model.
    - Develop planning and metrics to evaluate current RCM beyond the colleges and include administrative units and service center to ensure that funds are being used in the most efficient manner university wide.

- - Determine which operations, units, and services should be vested at the college-level and which should exist centrally.
    - Develop strategies to manage the distributed enrollment budget-shortfalls at the college- and administrative-levels while reimaging general/foundational education.
- Articulate and incorporate the value of equity and inclusion in recruiting and retaining students, faculty, and staff.
- Develop and implement diversity, equity, and inclusion training, processes, and supports for recruiting and hiring a more diverse workforce. Include policies, tools, and incentive funds to empower departments, colleges, and other units in attracting and retaining an ever more diverse faculty, advancing our instruction, research, and service missions.
- Evaluate and grow the student engagement programs that meet the needs of our diverse student population and produce higher retention and graduation rates.
- Prioritize marketing plan, tuition models, and enrollment cycles to ensure that we are reaching all potential students and offering a competitive/affordable rate for them to meet their educational goals.
- Understand and promote ETSU's economic impact on the region. Leverage these impacts to grow in strategic areas.
- Investigate the market potential of academic, arts, and athletic programming for life-long learners. If viable become the first public Osher Lifelong Learning Institute in Tennessee.
- Grow existing and cultivate new partnerships with local and regional businesses to offer additional internships/work experiences for students and creating potential continuing education opportunities serving our region's employees and employers.
- Continually grow the presence and reputation of the Martin Center of Performing Arts in our region and beyond.
- Appraise ETSU's potential as a conference & event location/destination to generate revenue while advancing our mission.
- Complete current capital campaign and initiate planning on ETSU next capital campaign with emphasis on 125 Chapter II strategic initiatives.

Year 5 (2026):

- Assess and resource priorities identified for years 1-5; manage and realize their expected outcomes with expanded presence and impact.
- Establish universally transparent budget practices and annual program reviews that enable clear communication pathways between budget users at every level of the institution.
- Programs, departments, and colleges use performance successes to increase their reach, impact, and visibility with sustaining or growing enrollments, awards in teaching, service, and research, and national or international acclaim.
- Complete evaluation ETSU's modified RCM budgeting system. Determine if ETSU's budget practices continue to yield efficiency, transparency, flexibility, and effectiveness. Determine if RCM or other models prove more responsive and supportive of ETSU's future.
- Target new investments in signature programs identified in the strategic plan and visioning plan.

- Leverage life-long learning partnerships with community development, healthcare, and other services to serve and even grow our region's aging population.
- Launch new or recast re-envisioned strategic program offerings that attract a diversified community of students: traditional students, working adults, life-long learners, and workforce development
- Implement a new Enterprise Resource Planning system that incorporates distinct aspects of campus processes and information into a single central system.

Year 10 (2031):

- ETSU is established as a destination institution for a wide array of communities seeking instruction, career & workforce development, research partners, health care and clinical services, life-long learning, the arts, and athletics.
- ETSU is recognized internationally as a model for planning, assessment, and operational effectiveness in higher education.
- ETSU is recognized by our regional and national partners our institutional vital contributions to economic and workforce development across Tennessee and in our expanding the multi-state region.
- ETSU remains the top performing institution in THEC performance metrics for eight out of ten straight years.