

# Budget Model and Operational Efficiency Assessment

Town Hall Meeting  
October 26, 2022



# Budget and Operational Efficiency Assessment Objectives

ETSU leadership engaged Huron Consulting Group to identify opportunities for improvement in preparation for the upcoming ERP transformation.



## Evaluate Budget Development Processes

- **Evaluate** model processes, mechanics, and methodology supporting **central, strategic and capital funding mechanisms**.
- **Discuss and document** relevant **model management infrastructure** including policy, governance, and reporting.



## Identify Opportunities for Improvement

- Conduct a **diagnostic review** of operations to assess potential opportunities for efficiency.
- Understand the **strengths and weaknesses** of the current operations.
- Identify areas to better align operations to **support employees** and increase **quality control**.

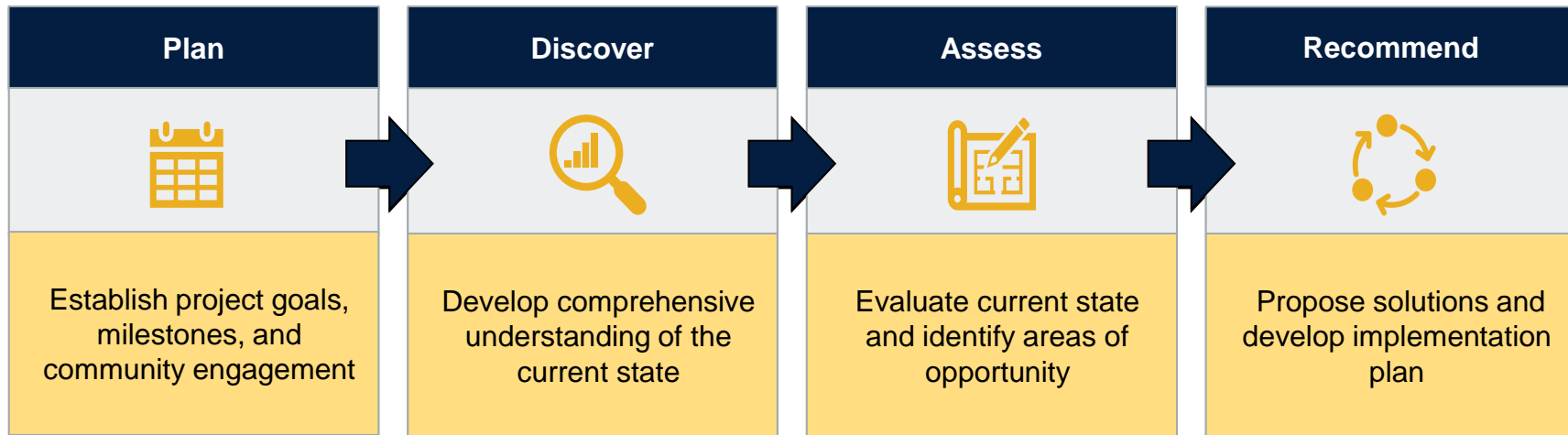


## Develop Roadmap and Implementation Approach

- **Leverage** stakeholder input to **identify opportunities**.
- **Develop a roadmap and approach** detailing timeline, potential roadblocks, stakeholder involvement, and other criticalities for each recommendation.

# Timeline and Key Activities

The Budget and Operational Efficiency Assessment culminated in a comprehensive current state assessment and the identification and prioritization of opportunities to consider. ETSU engaged Huron through the opportunity identification activities (March – August 2022).



# ETSU Campus Engagement

The Budget Model and Operational Efficiency Assessment engaged individuals across the community through various mediums.

746 faculty and staff responses to the **Administrative Activity Study**



92%

Senior **leaders, staff, and faculty** interviewed to offer context and perspective



48

HR, financial, and other operating **data sets** to inform analyses



80+

**Steering Committee** members engaged in regular check-ins



20

Unique operational and financial **opportunities identified**



56

**Prioritized** operational and financial **recommendations** for design and implementation



6

Engaging the community throughout the project prepares the institution for change management effort during the upcoming ERP transformation.

# Governance Structure

Huron worked closely with ETSU leadership to identify opportunities for improvement across a broad range of functional areas.

| Initiative   | Resource Allocation (Budget) Assessment   | Operational Efficiency Assessment   |
|--|---|---|
| Executive Sponsor  | President Brian Noland  |   |
| Project Sponsors<br><i>Provide overall direction and make key decisions</i>                    | <ul style="list-style-type: none"> <li>• Dr. BJ King*, <i>Chief Financial Officer for Business and Finance</i></li> <li>• Jeremy Ross*, <i>Chief Operating Officer</i></li> <li>• Dr. Joe Sherlin, <i>Vice President for Student Life and Enrollment</i></li> <li>• Dr. Kimberly McCorkle*, <i>Provost and Senior Vice President for Academics</i></li> </ul>   |   |
| Steering Committee<br><i>Vet initial recommendations and assist in institution-wide buy in</i> | <ul style="list-style-type: none"> <li>• David Finney, <i>Dir. of Fiscal Affairs, Adv. Services</i></li> <li>• Laura Bailey, <i>Assoc. Vice President Facilities Mgmt.</i></li> <li>• Dr. Karin Keith, <i>Professor and Chair in Dept. of Curriculum and Instruction in Clemmer College</i></li> <li>• Kristy Buchanan, <i>Director of recruitment and Student Success, College of Business and Technology</i></li> <li>• Dr. Mike Hoff*, <i>Vice Provost for Decision Support and University Chief Planning Officer</i></li> <li>• Mark Proffitt, <i>Assistant Dean for Budget and Planning, College of Arts and Sciences</i></li> <li>• Dr. Randy Wykoff, <i>Dean, College of Public Health</i></li> <li>• Dr. Sharon James McGee, <i>Dean of Graduate Studies</i></li> <li>• Stephen Hendrix, <i>Past President, Faculty Senate</i></li> </ul> | <ul style="list-style-type: none"> <li>• Dr. Don Samples, <i>Dean, College of Clinical and Rehabilitative Health Sciences</i></li> <li>• Dr. Jim Harlan, <i>AFG Chair of Excellence in Business &amp; Tech.</i></li> <li>• Dr. Karen King, <i>Chief Information Officer</i></li> <li>• Dr. Leah Adinolfi, <i>Dean of Student Engagement and Director of Assessment</i></li> <li>• Lori Erickson, <i>Assistant Vice President for HR</i></li> <li>• Michel Beaver, <i>Associate Vice President, Tax &amp; Revenue Services</i></li> <li>• Dr. Mike Hoff*, <i>Vice Provost for Decision Support and University Chief Planning Officer</i></li> <li>• Dr. Nick Hagemeyer, <i>Vice Provost for Research and Chief Research Officer</i></li> </ul> |

# Recognizing ETSU Institutional Strengths

Huron met with 48 stakeholders – several of which were engaged multiple times – across a variety of academic and administrative units at ETSU, which led to the identification of observed strengths and areas of opportunity.

## Unique Programs

Stakeholders spoke highly of ETSU's unique programs, such as Appalachian Studies, that are a differentiator for students and faculty.

## Commitment to ETSU

Individuals demonstrated a commitment to ETSU and recognized change is a necessary component to assure a vibrant future for the university.



## Willingness to Adapt

Stakeholders spoke to a willingness of units to address changing needs and demands of students (e.g., launching of new programs).

## Student Diversity

Employees expressed a strong commitment to diversity recruitment efforts, with 84% of students receiving some type of financial assistance.

## Student Wellbeing

Individuals have ETSU's students and local community in mind while making decisions and are focused on ensuring the well being of the entire ETSU community.

# Budget Model Assessment Outcomes

Building on the foundation of transparency and unit fiscal accountability established during the 2017 model implementation, the budget assessment was centered around the pillars of leading practices for effective resource allocation.

## Effective Budgeting in Higher Education



### Alignment to Strategy

*Establish a strategic funding pool for University investments and a process to deploy the funds*



### Effective Model Mechanics

*Enhance performance driven metrics and rationalize base budgets, aligning revenues with related expenses*



### All Funds Integration

*Incorporate all revenues and expenses into the budget process to provide a holistic budgeting approach*



### Reliable Reporting

*Enhance budgeting and financial reporting capabilities with tools, metrics, and modified timelines*



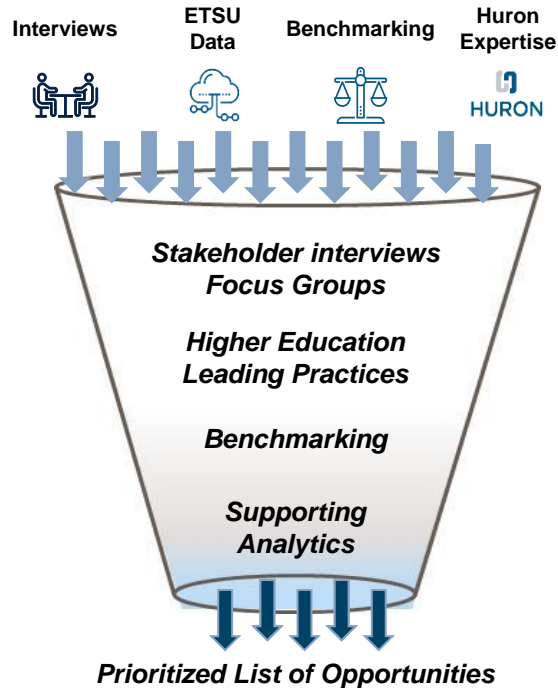
### Model Management

*Increase transparency and understanding of university budgeting by adopting leading practices*

## Communication

# Operational Efficiency Assessment Outcomes

Huron leveraged stakeholder interviews, financial and operating data, internal and external benchmarking, and industry expertise to identify 38 opportunities.



38 Opportunities in 8 Categories





# Strategic Plan Alignment

The opportunities identified in the Budget Model and Operational Efficiency Assessment support and strengthen ETSU's 7 strategic goals.

## Empower Employees

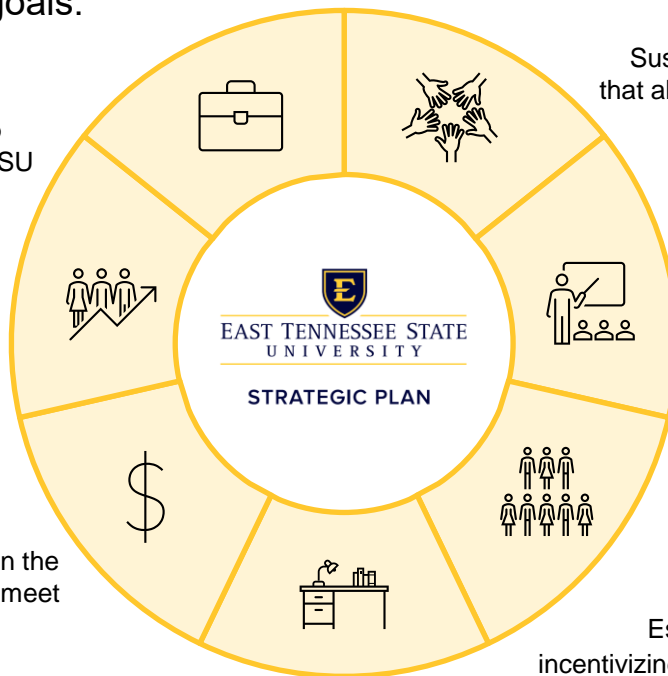
Provide employees opportunities to develop new skillsets, further careers, and make ETSU a great place to learn, work, and grow.

## Support Strategic Growth

Encompass all facets of the student experience both inside and outside the classroom.

## Fiscal Sustainability

Formulate strategies and actions to sustain the programs and infrastructure necessary to meet the core components of ETSU's mission.



## Lead the Region

Sustain the strong engagement and service that already exists between the University and community.

## Support Teaching Excellence

Strengthen the connection between curriculum and resource allocation.

## Ensure Diversity & Inclusion

Improve recruitment, hiring, and retention of employees.

## Expand Scholarly Innovation

Establish a collaboratively prioritized approach, and incentivizing behaviors at the institutional level will be critical.

# ETSU Prioritized Opportunities

## Budget Model Optimization

Re-establish the base budgets and further simplify the performance-driven adjustments

## Enhancing Services / Title Class & Comp.

Design a sustainable organizational structure to increase quality control

## Academic Portfolio Analysis

Evaluate current cost to educate, enhance program offerings, and align current academic offering positioning within the market

## Strategic Enrollment Plan

Develop a robust strategic enrollment plan to allow ETSU flexibility and growth within the enrollment market

## Research Administration

Optimize research administration operations to further ETSU's Strategic Plan and associated research goals

## Housing Transformation

Continue to identify areas of opportunity for the student experience (including housing)



**Yield Cost Savings and Efficiencies**



**Advance Career Pathing and Enhance Training and Engagement**



**Enhance Brand Recognition and Community Engagement**



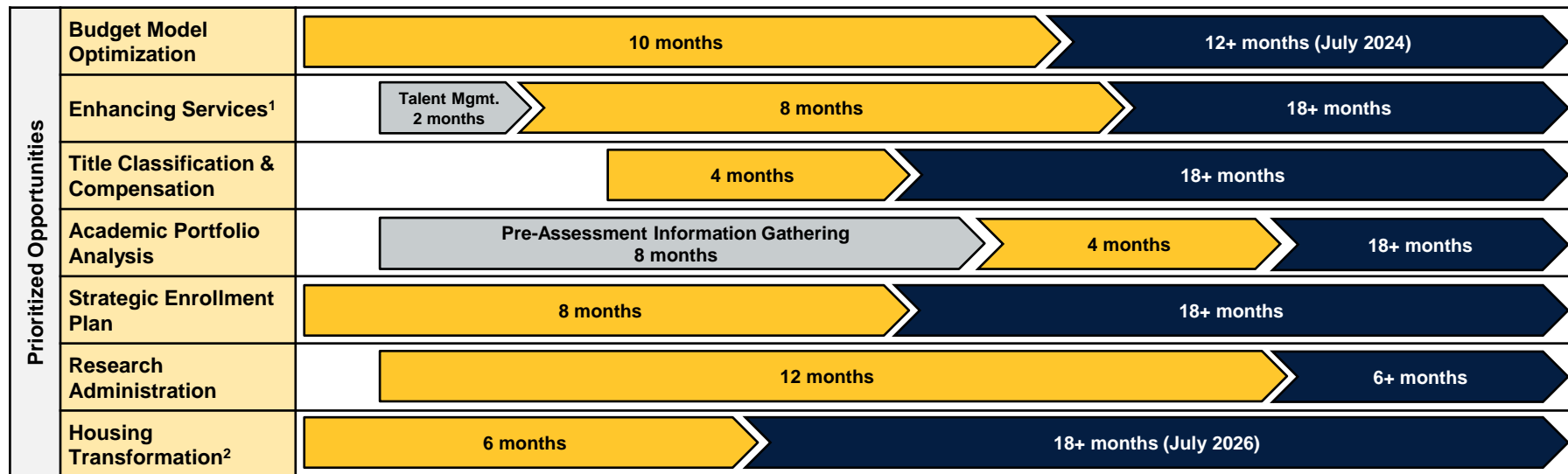
**Make Data-Driven Decisions**



**Build Towards Strategic Goals Through Increased Input**

# Timeline to Realization (Prioritized Opportunities)

Planning and design of the prioritized opportunities will begin in November of 2022. Implementation is expected to take between 24 and 36 months.

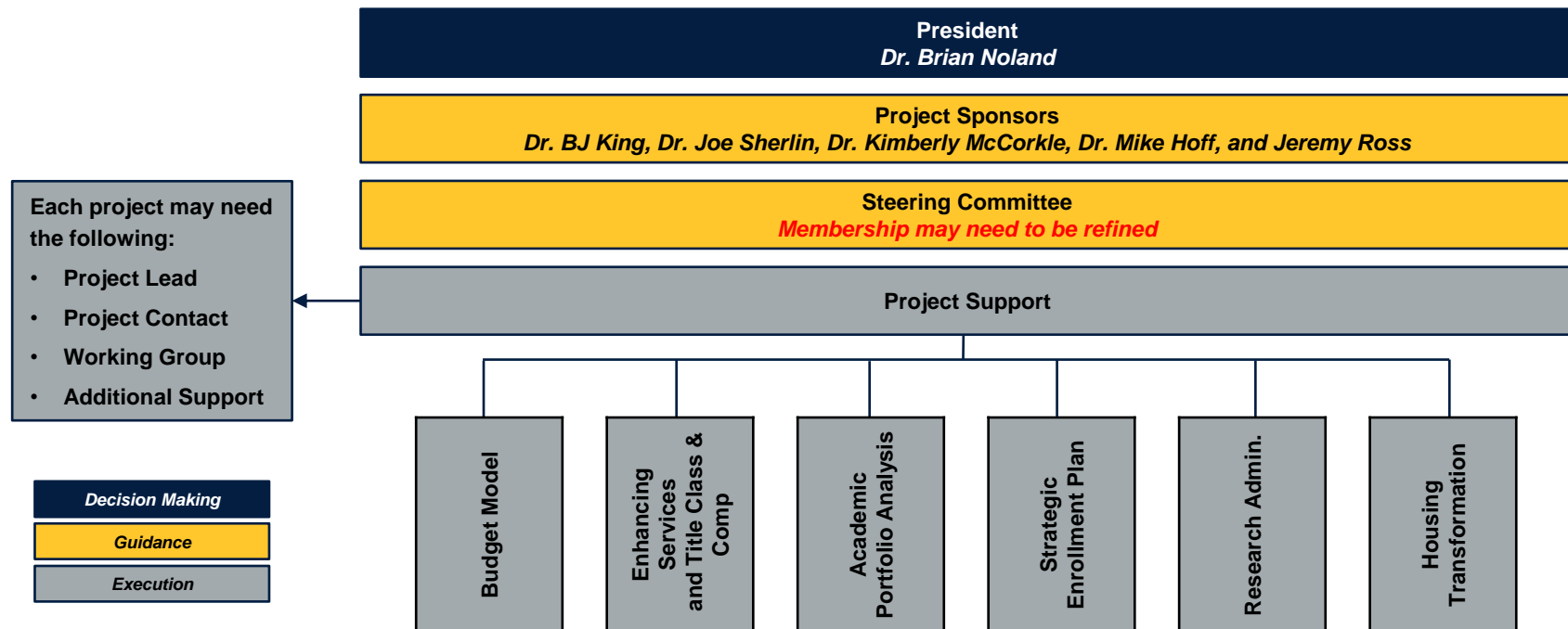


Assessment / Design

Implementation

# Project Management Structure

In order to successfully implement the selected opportunities, ETSU should utilize existing governance groups and create strong program support channels.



# Next Steps

ETSU will engage in the following immediate next steps.

1.

Confirm a **clear understanding of the prioritized opportunities** and proposed roadmaps for assessment, design, and implementation.

2.

**Develop detailed initiative timelines, establish milestones, and sequence execution** to ensure an appropriate assessment, design, and implementation pace that achieves the University's target in a timely manner.

3.

Create a **project management structure** to guide the implementation process, measure success, and iterate where there are roadblocks / limitations.

4.

Identify **resources that will drive the change** and execute upon each opportunity. These individuals will be held accountable for realizing cost savings in the targeted timeframes.

5.

Develop a detailed **change management and change leadership plan** to ensure effective communication, accountability, and measurable results.