

Cost Efficiencies in Higher Education



Presented to:

**The Council for Continuous
Improvement and Innovation in
Texas Higher Education**

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Executive Directives

- Governor Perry's Executive Order to review opportunities for higher education cost efficiencies



2010 THECB Cost Efficiencies Report

- Governor Perry's directive to capture cost efficiency practices to date



2012 THECB Survey on Implementation Report

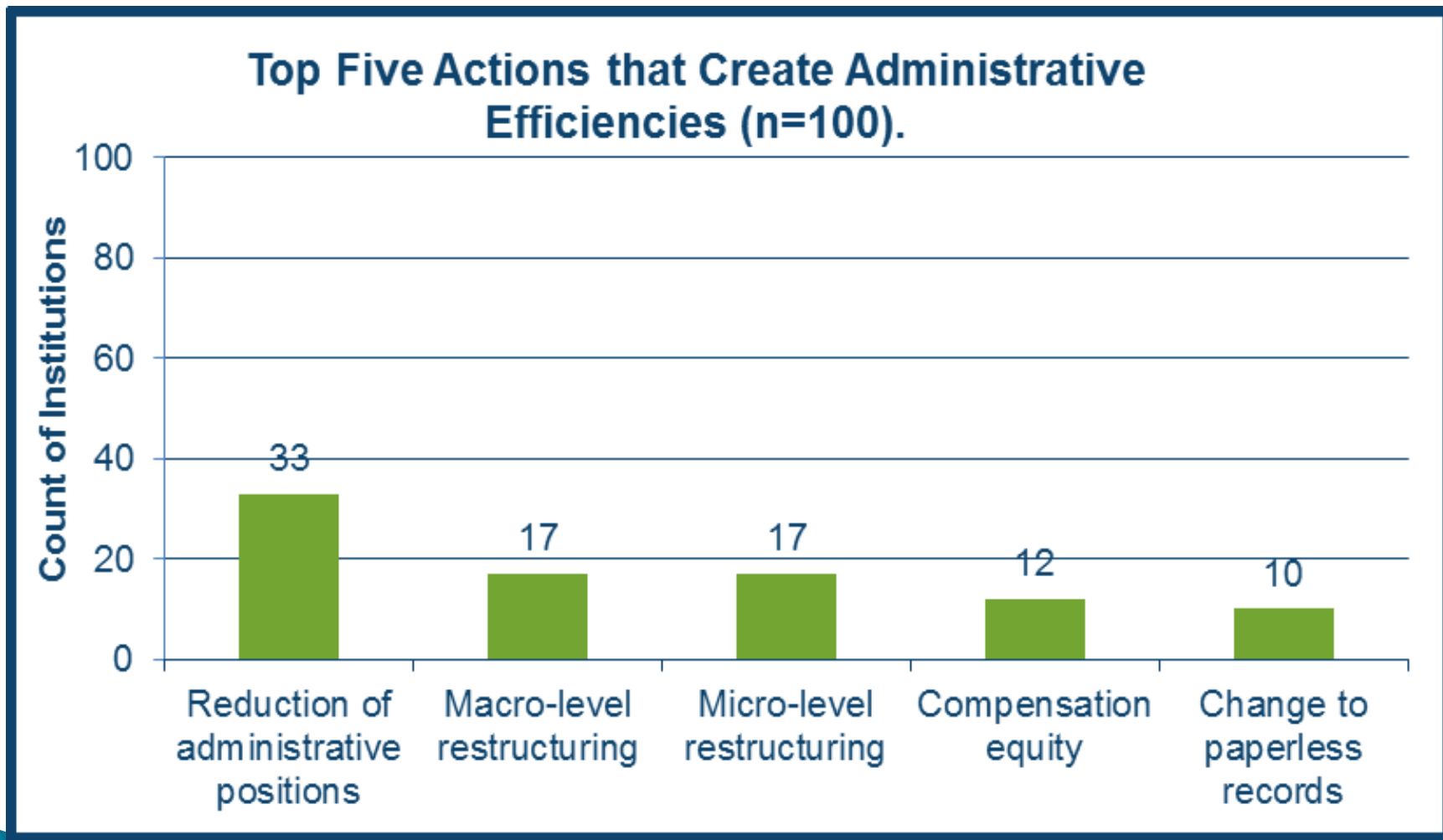
Survey

- ▶ 100 Institutional Responses (91%)
- ▶ 20 Questions: actions, concerns, savings, comments
- ▶ Efficiency Categories:
 1. Administrative
 2. Increased Productivity
 3. Pathways to Graduation by Advising and Faculty Assistance
 4. Alternative and Digital Learning Environments
 5. Assessment Methods
 6. Procurement Pools and Outsourcing
 7. Collaborations
 8. Other

Institutional Comments to Actions Taken

- ▶ Desirable
- ▶ Necessary but Undesirable
- ▶ Not Sustainable

Results: Administrative



Results: Administrative

Other:

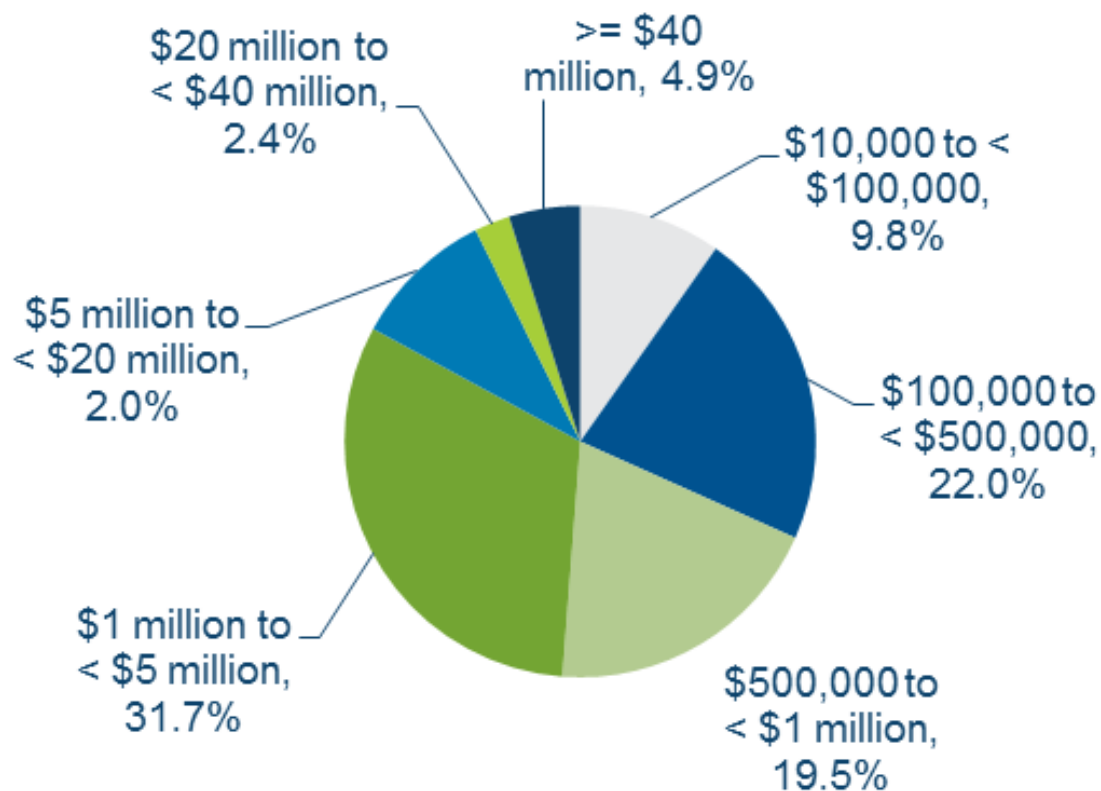
- ▶ Incorporate cost efficiency goals in institutions' strategic plans
- ▶ Generate ideas for alternative revenue sources

Concerns

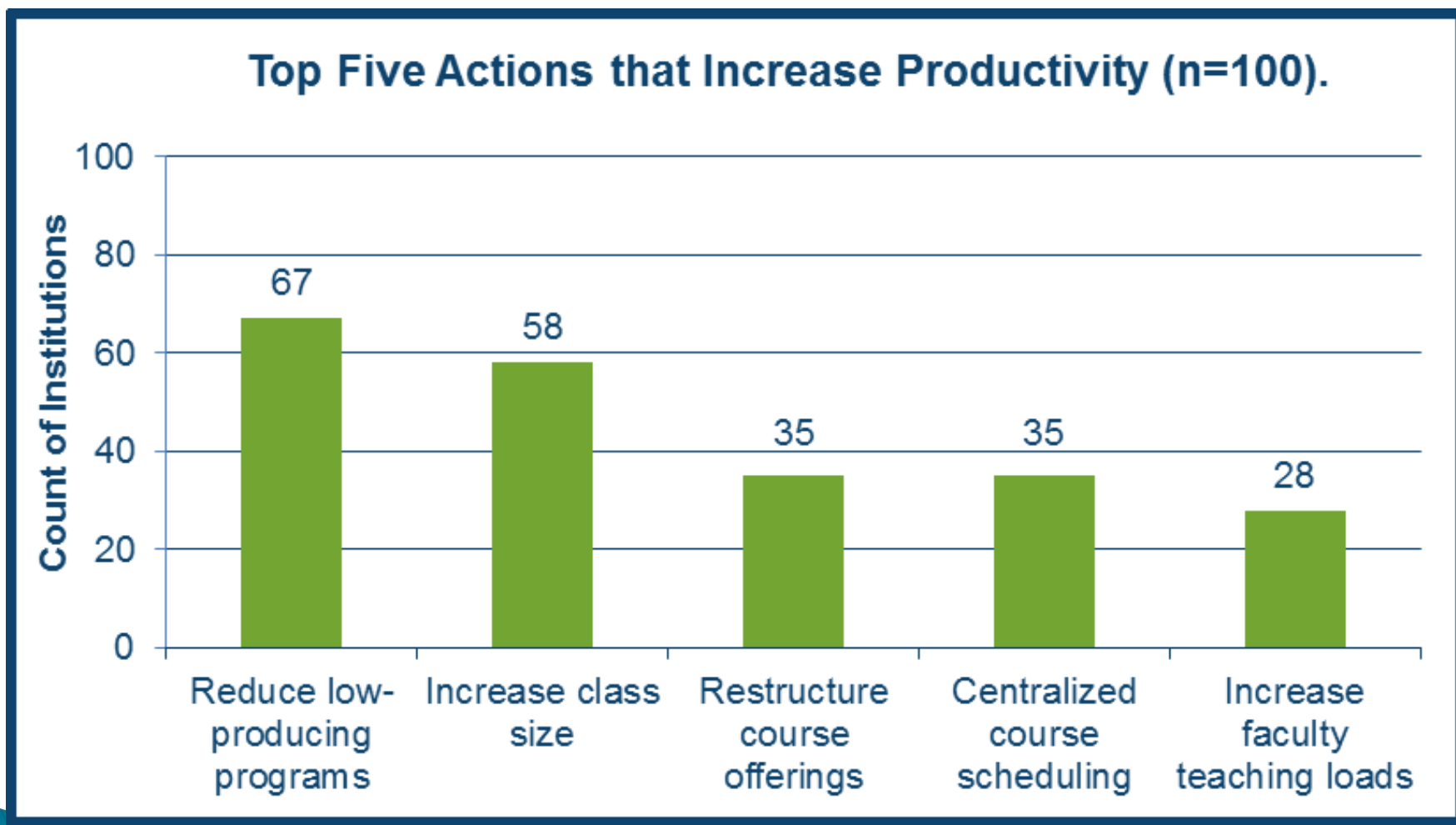
- ▶ Staff reductions cause decrease in service levels to students

Savings

Savings Reported from Creating Administrative Efficiencies (n=41).



Results: Increased Productivity



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Other

- ▶ Revise faculty compensation plans emphasizing more teaching

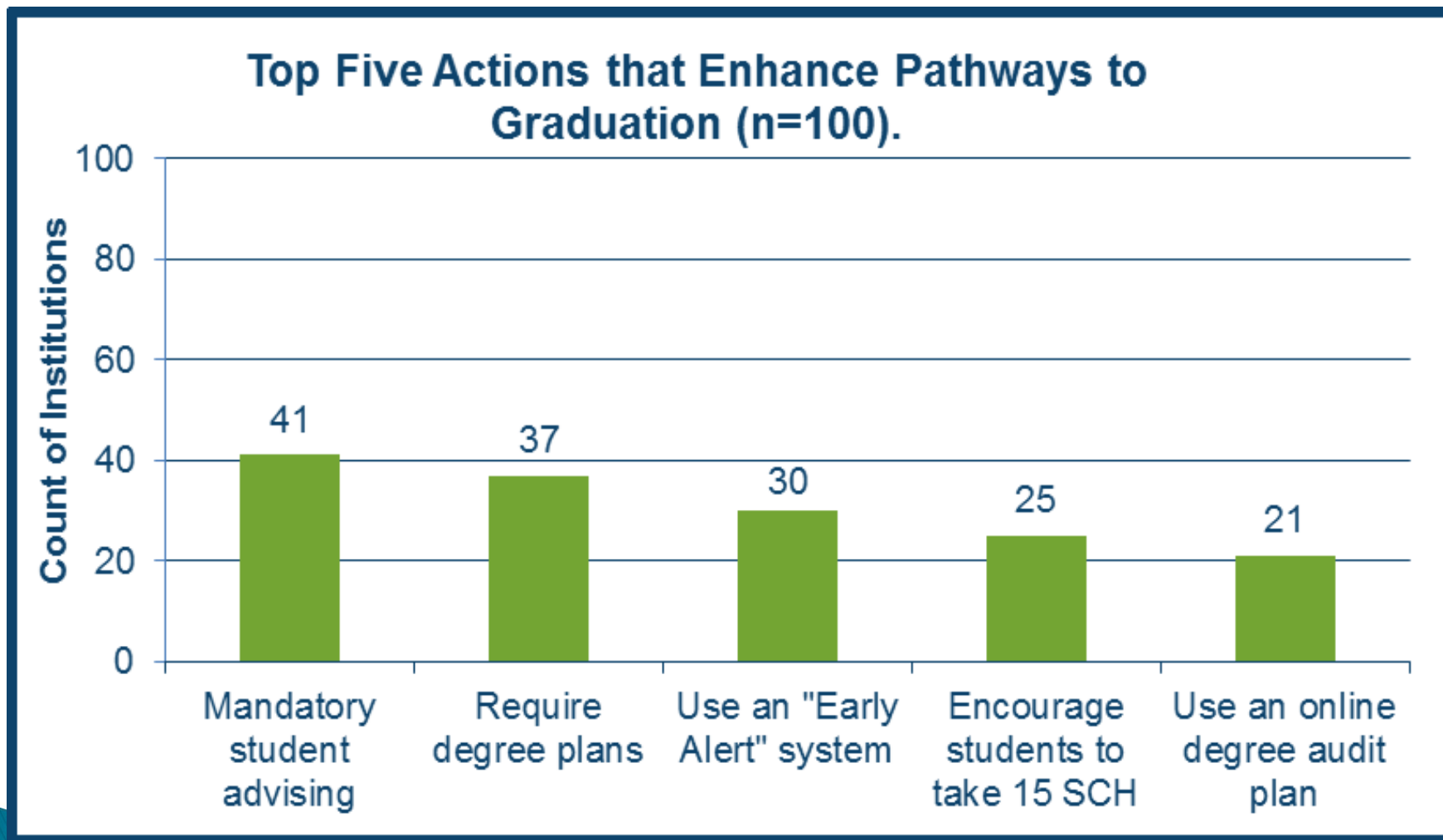
Concerns

- ▶ Increased class sizes and more adjuncts can result in loss of quality and impact accreditation
- ▶ Increased teaching loads result in less time for research and service functions and for individual students
- ▶ Some programs are low-producing but still important

Savings

- ▶ Many institutions left this blank or said unknown at this time

Results: Graduation Pathways by Advising



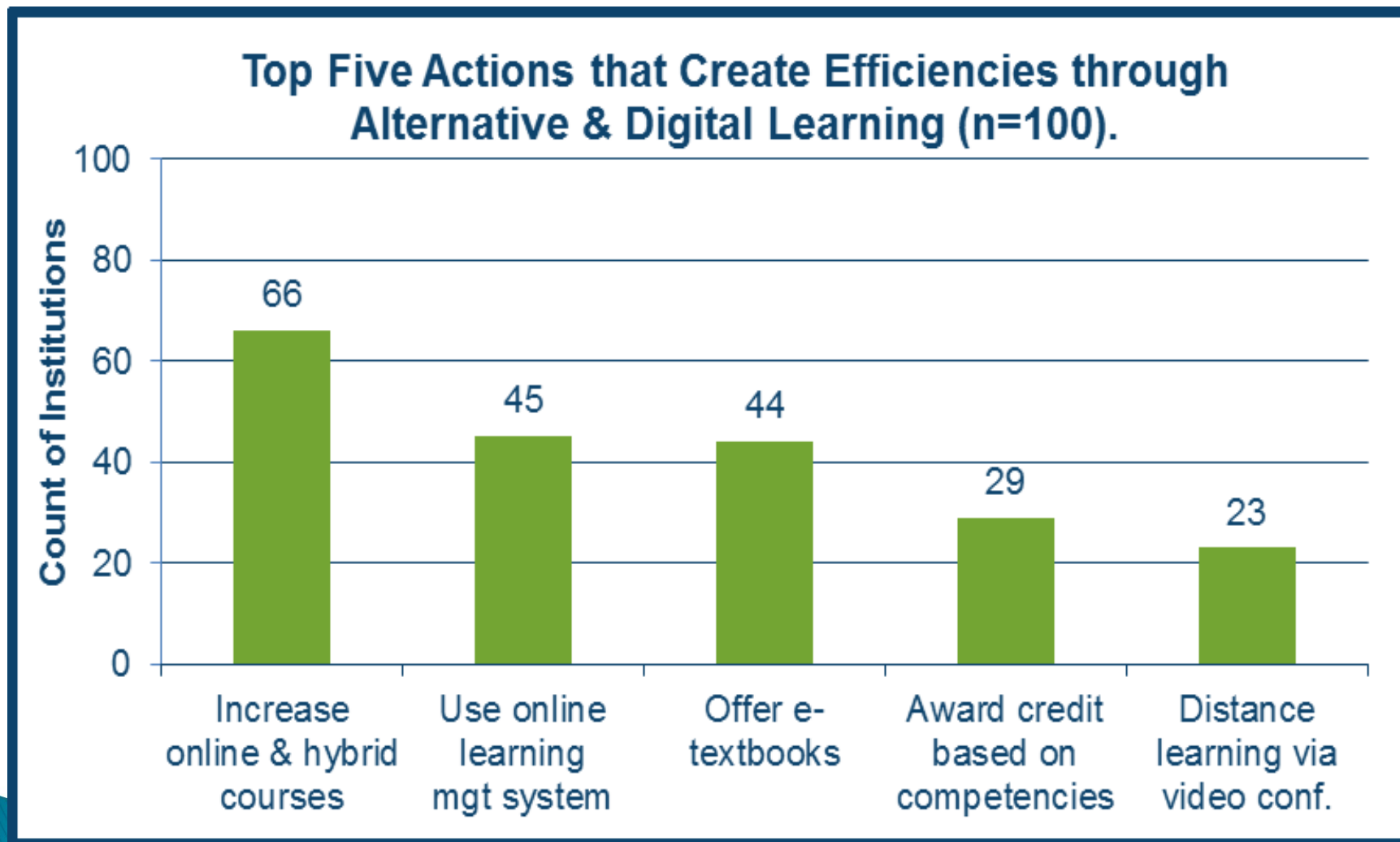
Concerns

- ▶ Software and support services for these actions can be costly
- ▶ 30 SCH per year is not possible for some students

Savings

- ▶ Some of these initiatives require increased costs
- ▶ Savings could be realized by reduction in future space needs, but these are difficult to estimate

Results: Alternative and Digital Learning



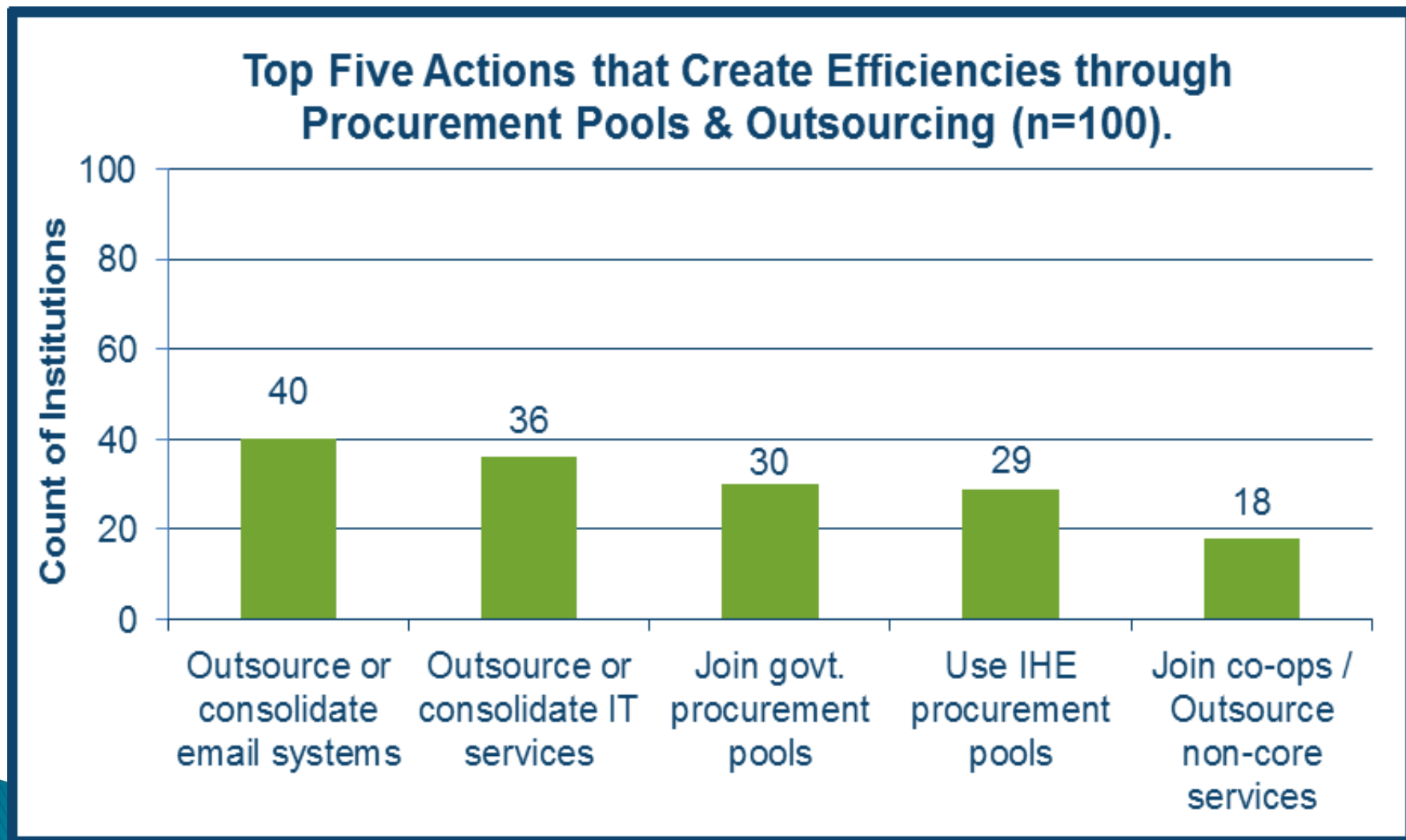
Concerns

- ▶ New technologies are costly
- ▶ Training is needed
- ▶ Many students dislike e-textbooks
- ▶ There can be quality issues with online courses

Savings

- ▶ Students save on placing out of coursework, and institutions save on future space needs
- ▶ Online courses save on facilities costs and on future space needs but may not save on instructional costs
- ▶ Interactive video courses save money

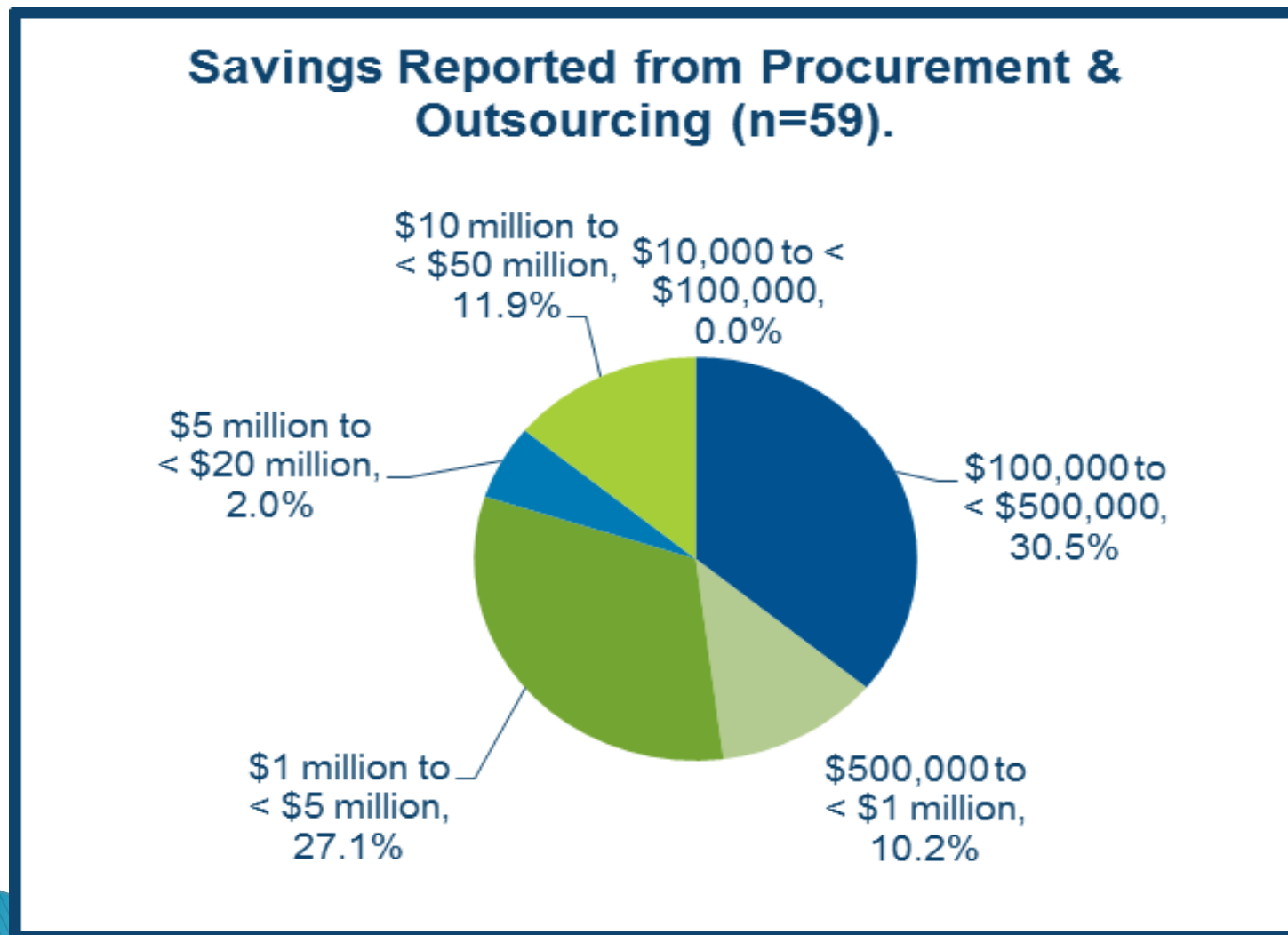
Results: Procurement Pools and Outsourcing



Concerns

- ▶ Outsourcing email and IT functions raises security and privacy concerns
- ▶ Institutions lose control over response time etc. when outsourcing

Savings



Recommendations

- ▶ Institutions should continue all strategies that increase cost efficiencies and have no or minimal impact on the quality of education
- ▶ For those actions that can impact student success, institutions should conduct cost/benefit analyses informed by:
 - 1) empirical evidence, 2) data from peer institutions, and 3) strategic plans and other planning documents

Discussion Questions

1. How can we encourage cost efficiencies in higher education?
2. How can we identify metrics to evaluate efficiencies?
3. What are some general principles in creating cost efficiencies?
4. How can we balance cost efficiencies and quality of education when they conflict?

For more information, please visit:

<http://www.thecb.state.tx.us/continuousimprovement>