Enjoy Summer
Enroll Now

Coffee with the Chancellor

April 13, 2022

Campus Budget Update

Budget Planning Progress

FY22 -- On track to meet $1.2M savings target, but deficit likely larger

- Expecting to break even at end of FY22

FY23 -- Still $1M short of $3.5M* reduction goal, which is also growing

- Operational Savings **-- $350,000**

- Permanent Personnel Reductions -- **$2.5M**

    - Not filling ~50% vacancies/lines

- **Remainder needed -- $1M**

* Includes 2% General Salary Increase

Where will we find $1M?
- Additional retirements?
- Additional resignations?
- Reduction In Force (RIF)?

There is no early retirement program and no plan to have one.

Estimated Underbudgeted Items

Higher than initially estimated. Many more underbudgeted items revealed during budget exercises:

Scholarships & Discounts (MSEP, MSEA)	$1,500,000
Athletics	$500,000
Adjunct and Overloads	$500,000
Campus Marketing	$500,000
Other	~$1,000,000
Total	**$4,000,000**

Cannot continue to cash fund.

Need to identify general fund support in FY23 -- FY25.

Examples of other include accreditation expenses, software, professional development, smaller unbudgeted programs (e.g. Community Engagement, FY Seminars, CERES).

Short and Medium-Term Budget Goals

Still need to identify $1M in reductions for FY23 <u>plus</u> find additional general fund dollars in the next two years to meet needs of underbudgeted programs – Total additional = $4-5M.

Why is this time different?

- Enrollment decline is steeper and continues in a **VUCA** (volatile, uncertain, complex, ambiguous) environment
- **Legacy of cash funding** programs, which is fiscally unsound
- New **leadership**
- New **Strategic Plan**
- We cannot win a **war of attrition**, need to be in a **race to the top**
- Data show we are **not good fiscal stewards**, meaning we have resources, but we are not allocating them effectively or efficiently

Enrollment Trends

IU Regional Campus Official Fall Census Headcount Enrollment Trends

INDIANA UNIVERSITY SOUTH BEND
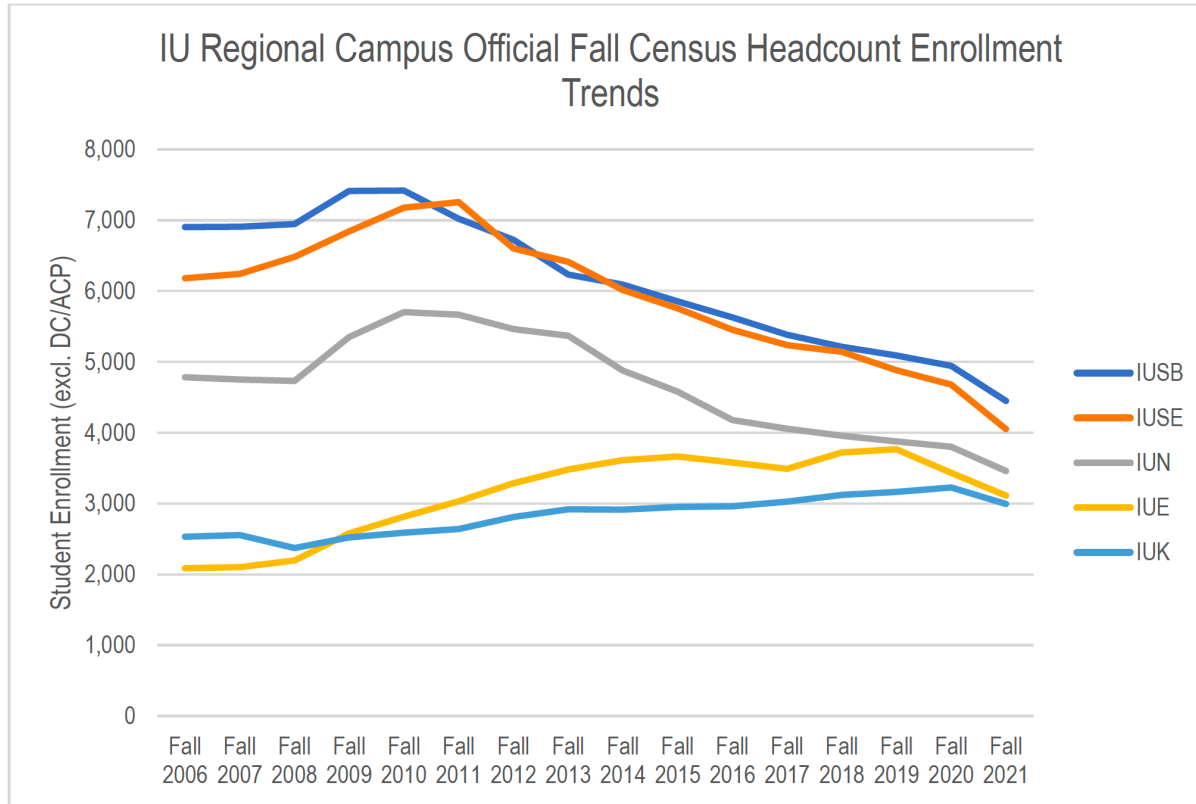
Progression and Retention Rates

Retention Rates, Full-time Beginners, Bachelor's Degree Seekers Only

	Retained to 2nd Term (Target 85%)				
	2016	2017	2018	2019	2020
East	83.8%	82.5%	81.3%	85.1%	74.1%
Kokomo	79.5%	80.1%	83.0%	84.5%	77.0%
Northwest	82.8%	85.1%	81.6%	87.9%	84.4%
South Bend	82.7%	83.8%	86.3%	82.6%	72.2%
Southeast	79.2%	81.0%	82.9%	80.1%	76.9%

Source: https://uirr.iu.edu/facts-figures/outcomes/grad-rates/index.html

	Retained to 2nd Year (Target 70%)				
	2016	2017	2018	2019	2020
East	65.6%	65.3%	63.0%	66.9%	60.6%
Kokomo	60.3%	60.2%	64.0%	70.1%	59.5%
Northwest	68.6%	65.9%	64.5%	70.2%	64.2%
South Bend	65.7%	63.3%	67.9%	67.1%	54.0%
Southeast	58.8%	59.1%	61.5%	63.7%	58.3%

Source: https://uirr.iu.edu/facts-figures/outcomes/grad-rates/index.html

High Failure Rate Courses

High DFW courses – South Bend
Top 15 Courses

Course	Rate
SPAN-S 102	49.1%
BIOL-L 211	45.1%
MATH-T 101	44.1%
MATH-A 100	43.6%
PHIL-P 102	41.6%
PSY-P 103	40.8%
BUS-K 201	40.5%
EDUC-U 100	40.2%
PHSL-P 261	39.7%
ENG-W 130	39.5%
SPAN-S 101	38.4%
FINA-A 109	38.1%
CJUS-P 100	37.7%
EDUC-W 200	34.2%
CHEM-C 101	33.0%

0.0%   10.0%   20.0%   30.0%   40.0%   50.0%   60.0%   70.0%

100- and 200-level courses with 50 or more undergraduate degree-seeking students enrolled Fall 2021
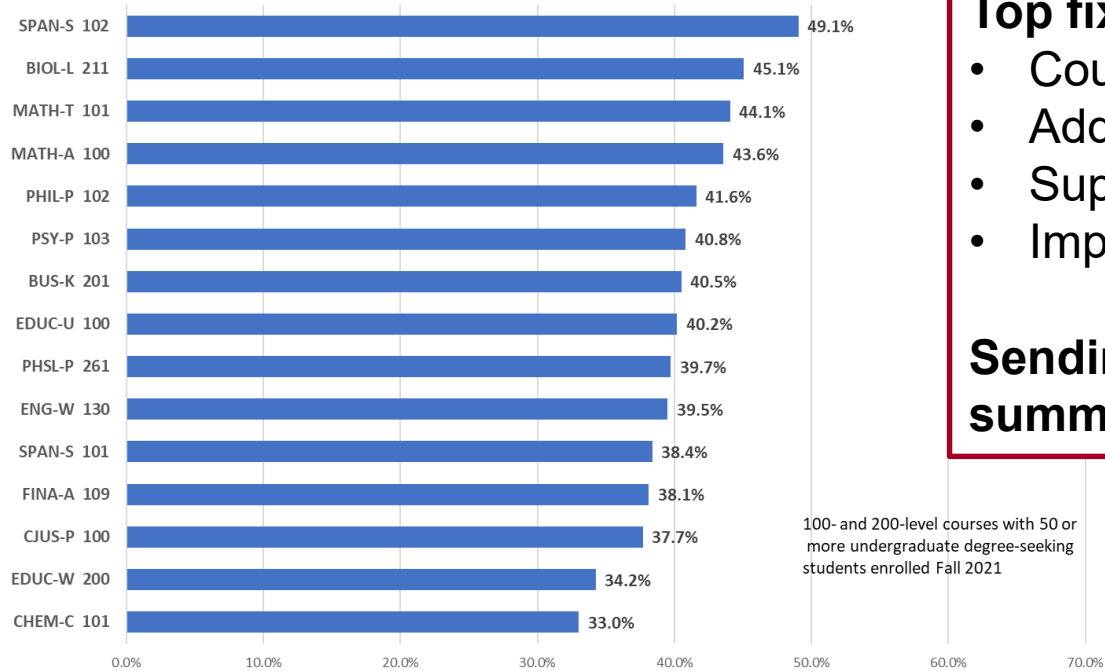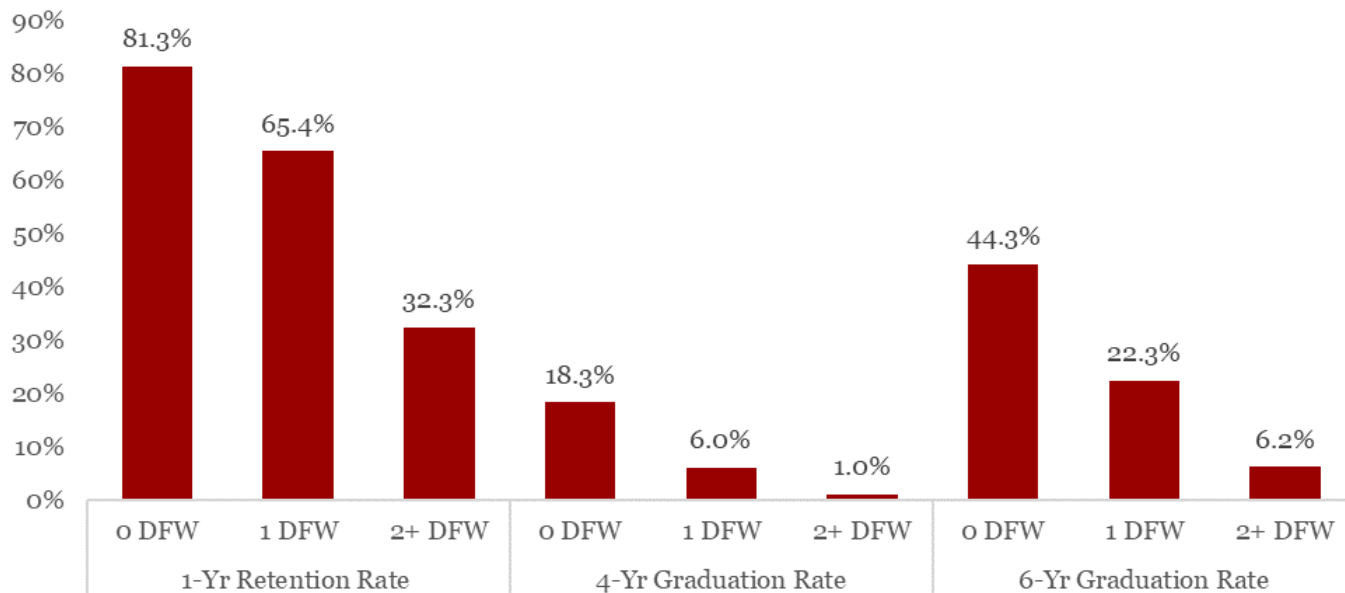
Top fixes:
- Course redesign
- Address curricular sequencing
- Supplemental Instruction (SI)
- Improved placements

Sending a team to workshop this summer.

High Failure Rate Course Impact on Retention

*Note: Includes all Fall beginner cohorts available for each metric: Student Share (Fall 2007 through Fall 2021), 1-Yr Retention Rate (Fall 2007 through Fall 2020), 4-Yr Graduation Rate (Fall 2007 through Fall 2017); 6-Yr Graduation Rate (Fall 2007 through Fall 2015).

Course Enrollments and Student to Faculty Ratio

Course Enrollments – In Spring 2022 approximately 22% of course sections low enrolled (excluding studios and others that are exempt from policy).

Student to Faculty Ratio – Should be at least 18:1 for financial sustainability

Indiana University Regional Campuses
Student to Faculty Ratios (XX:1)

	2011	2015	2016	2017	2018	2019	2020	2021
East	16.0	14.8	14.2	13.8	15.2	15.5	14.1	13.2
Kokomo	17.0	15.6	14.9	15.5	14.6	15.2	15.7	15.4
Northwest	16.0	15.3	14.2	13.7	13.5	13.7	14.0	13.7
South Bend	14.0	12.8	13.7	13.4	13.4	13.0	12.7	11.9
Southeast	17.0	14.2	13.5	13.5	13.8	13.0	13.4	12.1
Average	16.0	14.5	14.1	14.0	14.1	14.1	14.0	13.2

Need a more responsible & sustainable financial model

Need to re-think, re-align, re-engineer how we operate and use resources in all divisions across campus so we can:

➤ Fund our new strategic plan, better meet our Mission

➤ Invest in faculty and staff salaries

➤ Invest in programs that will drive enrollment and retention -- New programs; revitalization of existing programs; support high demand, high potential programs; improve advising & transfer processes

➤ Invest in marketing and outreach

➤ Develop new partnerships in our community as pipelines of new students and enhanced support for current students

➤ Demonstrate fiscal responsibility and stewardship

We can recover - how will we get there?

**Top Priorities** (from budget memo; summary of VC reports online)**:**

- ✓ **Organizational Savings:** Including operations and unit restructuring across all campus divisions.

- ✓ **Process Improvement:** Proposal to centralize financial/procurement/HRMS processes; implement LEAN process improvement strategy during FY23; improve space utilization.

- ✓ **Decrease cost of instruction:** Reduce low enrolled courses, relieve curricular bottlenecks, realign course caps/fill rates.

- ✓ **Increase retention:** Reduce number of high failure classes, increase SI, centralize advising.

- ✓ **Improve enrollment overall:** Uncertain environment, focus on high return activities and populations, improve transfer admissions processes, will need funding to invest in new/revitalized and online programs, need new marketing dollars.

- ✓ **Revenue generation:** Scholarships, new programs & partnerships, summer programs, etc.

Ideas for Change Themes from March Coffee

- Finding Efficiencies and Synergies
- Campus Space
- Course Offerings, Scheduling, etc.
- External Partnerships
- Summer Programs
- Marketing
- Alternative Learning
- Student Engagement
- Teaching Practices
- Supplies and Expenses

- Budget Practices
- Online Education
- Advising
- Administration Costs
- Costs for Students
- Retirement Incentives
- Student Recruitment
- Committees and Task Forces
- External Funding
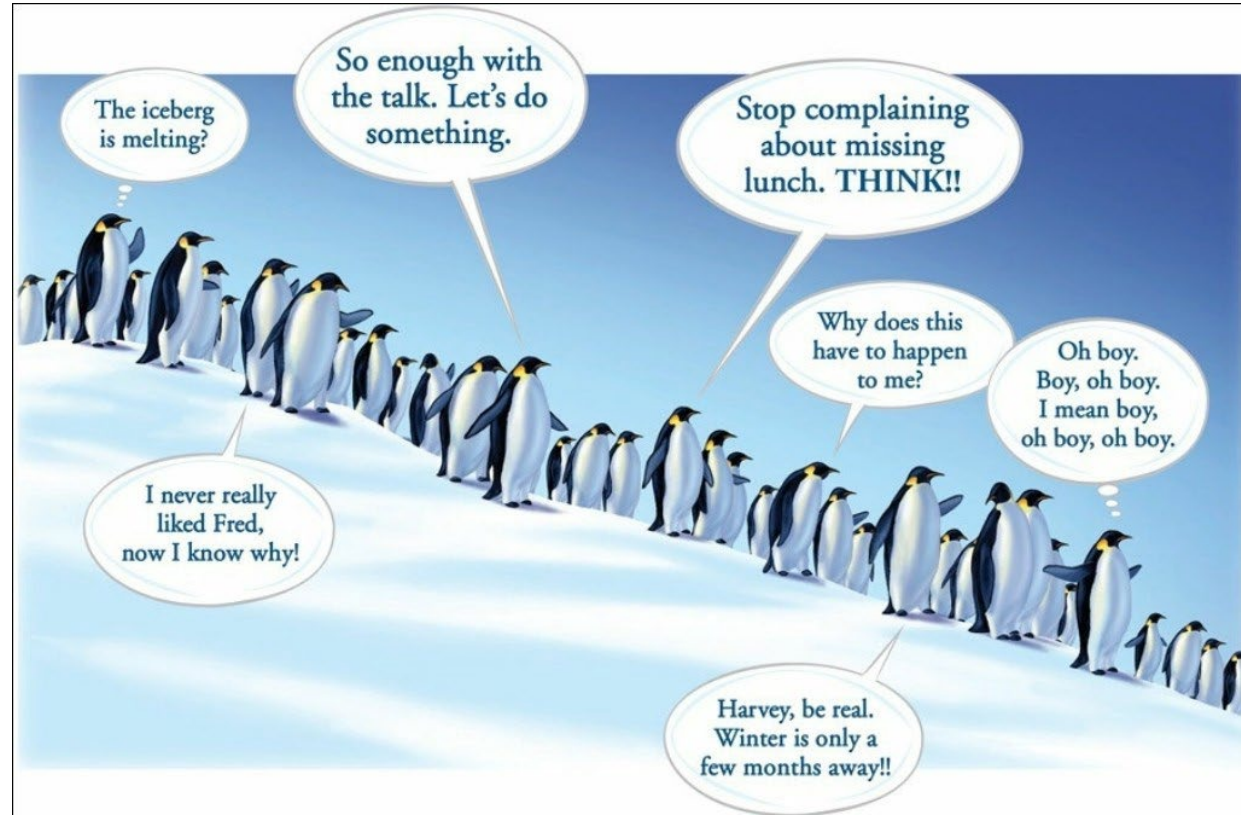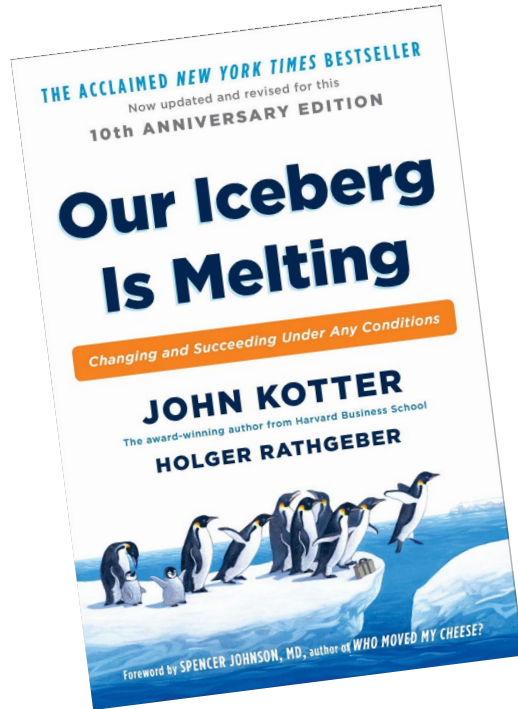
Change is hard but it is here for the foreseeable future

Change Management Themes from March Coffee

- Communication and transparency, wellness, student involvement,
  Meaningful Engagement from All

Managing Transitions

- Build on existing good work, but acknowledge loss and emotional responses
- Invitation to participate to help shape outcomes
  (e.g., Academic Organizational Design Task Force)
- Change management workshops and book club
- Employ Kotter's 8-Step change process

8-Step Change Process (Kotter)

1. **Create a sense of urgency**

2. **Form a guiding team/coalition**

3. **Communicate vision & strategy for change**

4. **Communicate and generate buy-in**

5. **Empower others**

6. **Deliver short-term wins**

7. **Build momentum**

8. **Create a new culture**