

Welcome to today's **University Business** web seminar

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## Striving for Sustainability: Rethinking Higher Ed Finance



**Kurt Eisele-Dyrli**  
Web Seminar Editor  
*University Business*



**Ellen Herbst**  
Vice Chancellor for Administration  
and Finance  
University System of Maryland



**Ben Barnes**  
Chief Financial Officer  
Connecticut State Colleges and Universities

**Thank you for joining us! The web seminar will start promptly at 2:00 ET.**

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### For technical support:

Use the Chat panel at the right of your screen. Select the name of our event producer, Steven Blackburn, and type your message.

“Chat” for tech support

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“Q&A” for panelist questions

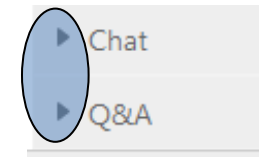
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Use the Q&A panel at the right of your screen. Send your question to All Panelists, the default option.

Ask:

### Don't see a panel?

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### Need to access the presentation at a later time?

Everyone will receive an email with links to the slides and the archive recording.

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*This web seminar is sponsored by:*



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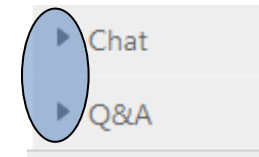
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Ask: All Panelists

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# University System of Maryland

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Vice Chancellor for Administration and Finance

Ellen Herbst



September 2020



# USM Contributions to Maryland

- Student Access & Success
  - 170,000 Students Enrolled
  - 42,600 Degrees Awarded Annually
  - 72% Avg 6-yr Graduation Rate (Highest Ever!)
  - 87% Avg 2-yr Retention Rate
  - 38,500 Transfers Enroll Annually
- Advanced Workforce Development
  - 12,000 STEM Graduates
    - 6,700+ Computer Science, IT, Cyber Grads
    - 2,100+ Engineers
- Research, Innovation, Job Creation
  - \$1.4 Billion in R&D Attracted Annually
  - 600+ New Companies Created/Facilitated (Since 2011)
- Health and Quality of Life for Maryland Citizens
  - 1,500 Nurses, 1,500 New Teachers, 160 Medical Doctors produced annually

# USM's Contributions to Maryland

- Vaccine testing, COVID-19 research and high-speed automated testing lab
- Processing COVID Tests for Universities and the State of Maryland
- Working with pre-K and K-12 teachers to prepare for remote teaching and curriculum redesign
  - Maryland Center for Computing Education (MCCE)
    - Hosted webinars and workshops to support teachers as they pivoted to remote learning
    - Worked with MSDE & local school districts to build local expertise by modeling good practices for online professional development (PD)

# Meeting Student Needs

- Affordability
  - Tuition & fees and room & board rates frozen at Fall 2019 levels
  - Partially refunded select student fees, room & board (Spring 2020)
- Financial need increased
  - USM Foundation Emergency Funds
  - CARES Act
- Campuses are finding that other student needs must be met
  - Food and Shelter
  - Health
  - Mental Health
  - Technology Gaps
- Preparing professors for remote teaching and asynchronous environment

# Impacts of Coronavirus

- Lost Revenue:
  - Tuition
  - Room, Board
  - Fees
  - Contracts and Grants
  - Events
- Cost Increases
  - Technology investments
  - Facility investments (HVAC upgrades, enhanced cleaning, hands-free investments)
  - Testing, Symptom Monitoring, Contact Tracing
- Potential Cost Savings:
  - Faculty/staff travel conferences & other staff development
  - Office supplies & Other

## Mitigation Planning Process

- Approach – deploy a series of financial tools in a phased way
- Financial Toolbox
  - Federal CARES Act Funding
  - Use of fund balance
  - Personnel actions
    - Vacant position elimination
    - Hiring freeze
    - Contingent employee contract reductions
    - Temporary salary reductions
  - Facilities Renewal reductions
  - Across the board operating expense cuts

# Takeaways – what has worked

- Decision making
  - Balancing short term issues with long term reputational impacts
  - Shared governance remains important when addressing financial impacts
  - Creation of financial toolbox for mitigating impacts
- Communications
  - Increased frequency and depth of communications with universities and departments
    - 3 times weekly with Presidents, VPs and HealthCenters
  - Increased frequency of financial data collection, including projected impacts and use of financial toolbox
  - Coordination of major announcements
  - Keeping elected officials up to date prior to key decisions
  - Communicating short term and long term impact of COVID

# Trying to Solve Intractable Problems During a Pandemic

September 17, 2020

Ben Barnes

CFO

CSCU

*Connecticut State  
Colleges & Universities*

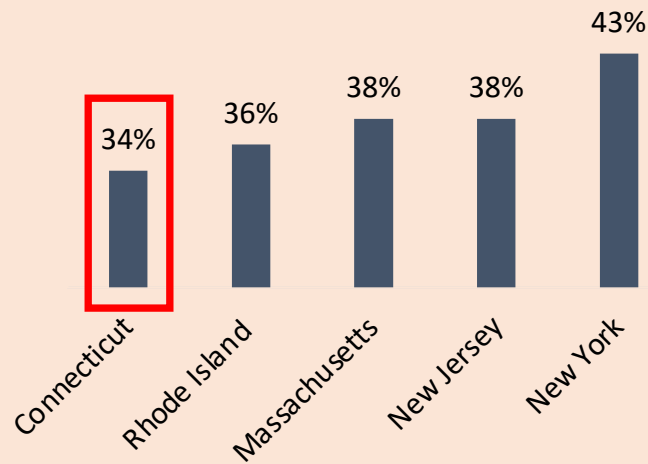


- 4 Regional Universities
  - 31,500 students
  - \$750 million revenue
- 12 Community Colleges
  - 46,000 students
  - \$505 million revenue
- Charter Oak State College
  - 1,500 students

# CT Community Colleges: Significant Challenges

## Lagging Student Success

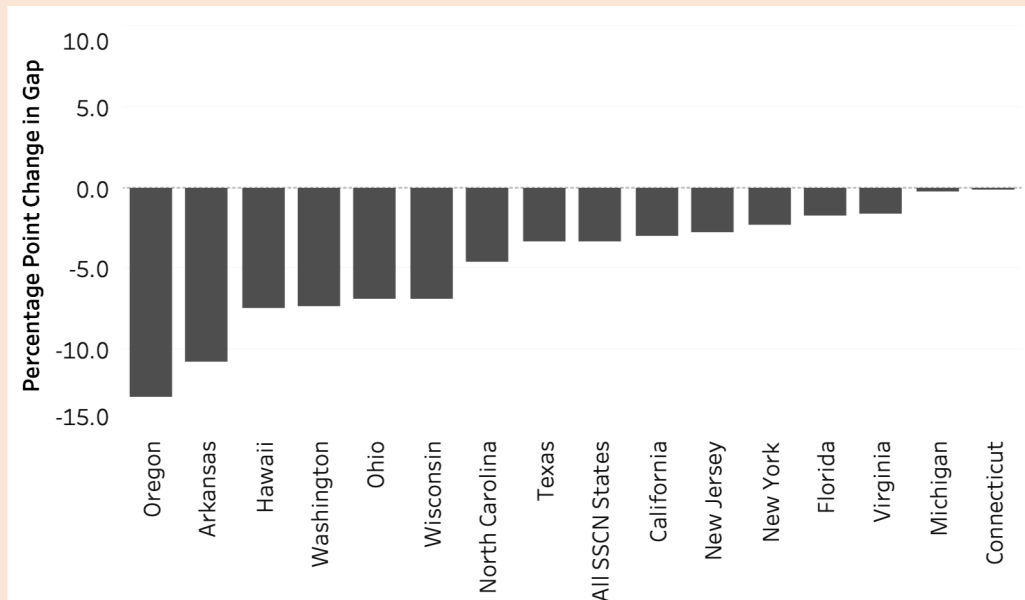
*Success rates are poor*



Three-year (150%) graduation + transfer-out rates (success rates) for all degree-granting, two-year public colleges in CT, RI, MA, NJ, and NY for the three-year period ending Aug 2017.

*Equity remains a challenge*

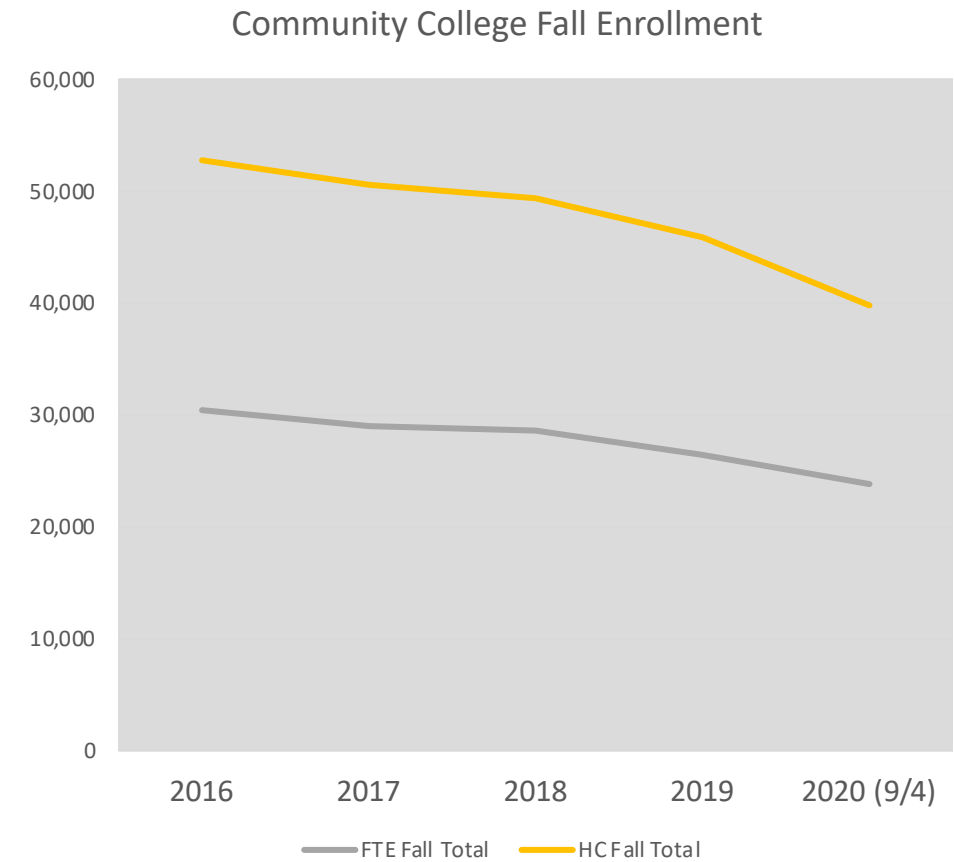
## Percentage Point Change in Equity Gap (2012-16)



# CT Community Colleges: Significant Challenges

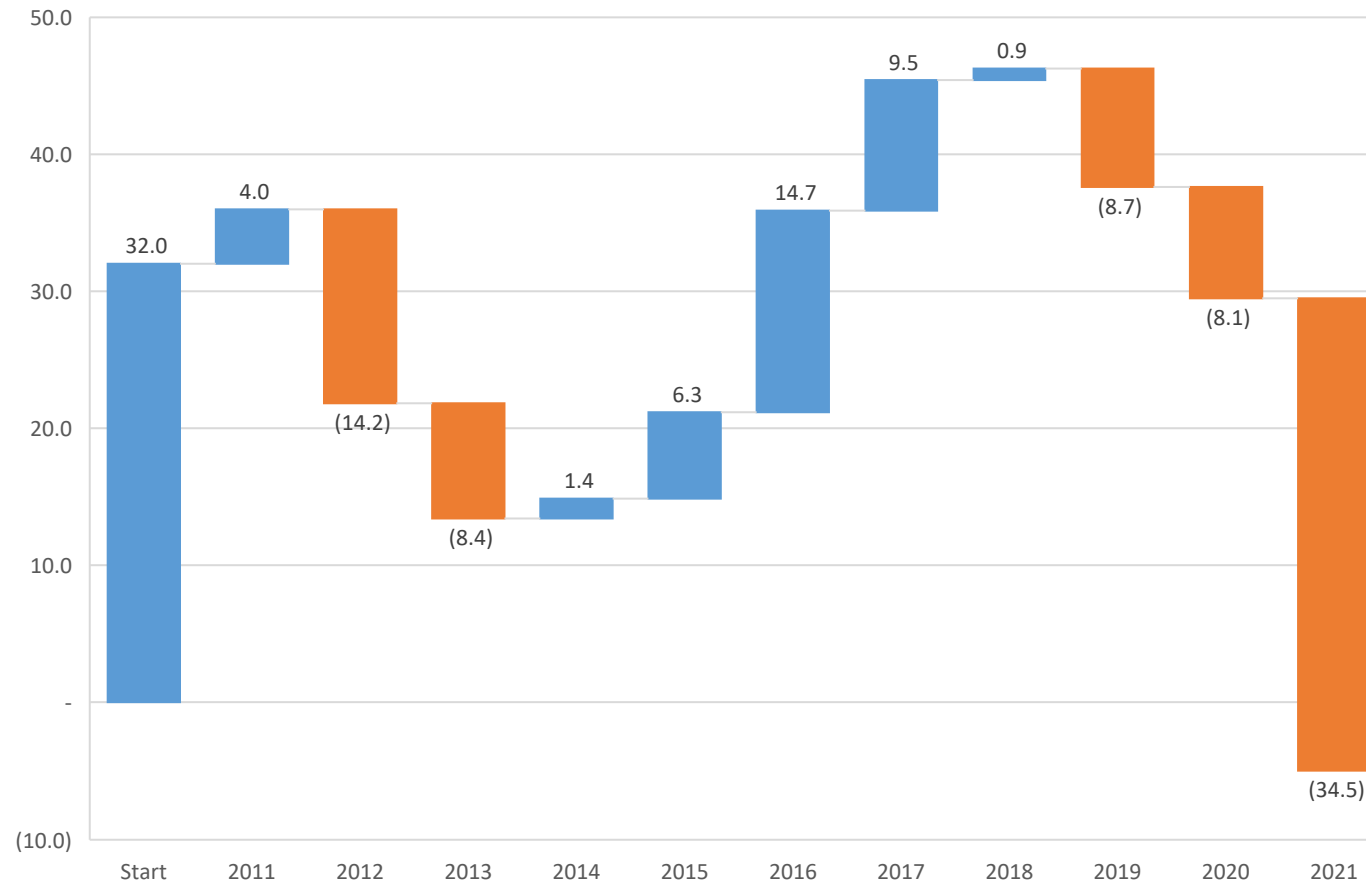
## Declining Enrollment

*Dwindling enrollment is a longstanding concern, exacerbated by COVID this fall*



# CT Community Colleges: Significant Challenges

## Fiscal Sustainability: Community College operating results



# Community College Consolidation

**In 2017, CSCU launched “Students First”, a transition to a single accredited community college with 12 campuses**

- adoption of best practices at scale and across campuses,
- prioritizing student-facing services amid fiscal constraints by focusing resources on students success needs,
- mitigating upward pressure on tuition,
- streamlining administrative tasks, and
- aligning common procedures.

# 12 Colleges, 12 Processes

Connecticut Community Colleges currently have:

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**Separate** admissions

**Separate** placement testing

**Separate** financial aid procedures

**Separate** registration procedures

**Separate** student transcripts for the same student

Connecticut Community Colleges currently have:

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**Differing** degree offerings

**Differing** course offerings

**Differing** prerequisites

**Differing** general education requirements

**Differing** transfer procedures

**Differing** advising requirements, models and procedures

# Example: Two Courses + Two Colleges = Too Complicated

Gateway student needs two classes to graduate

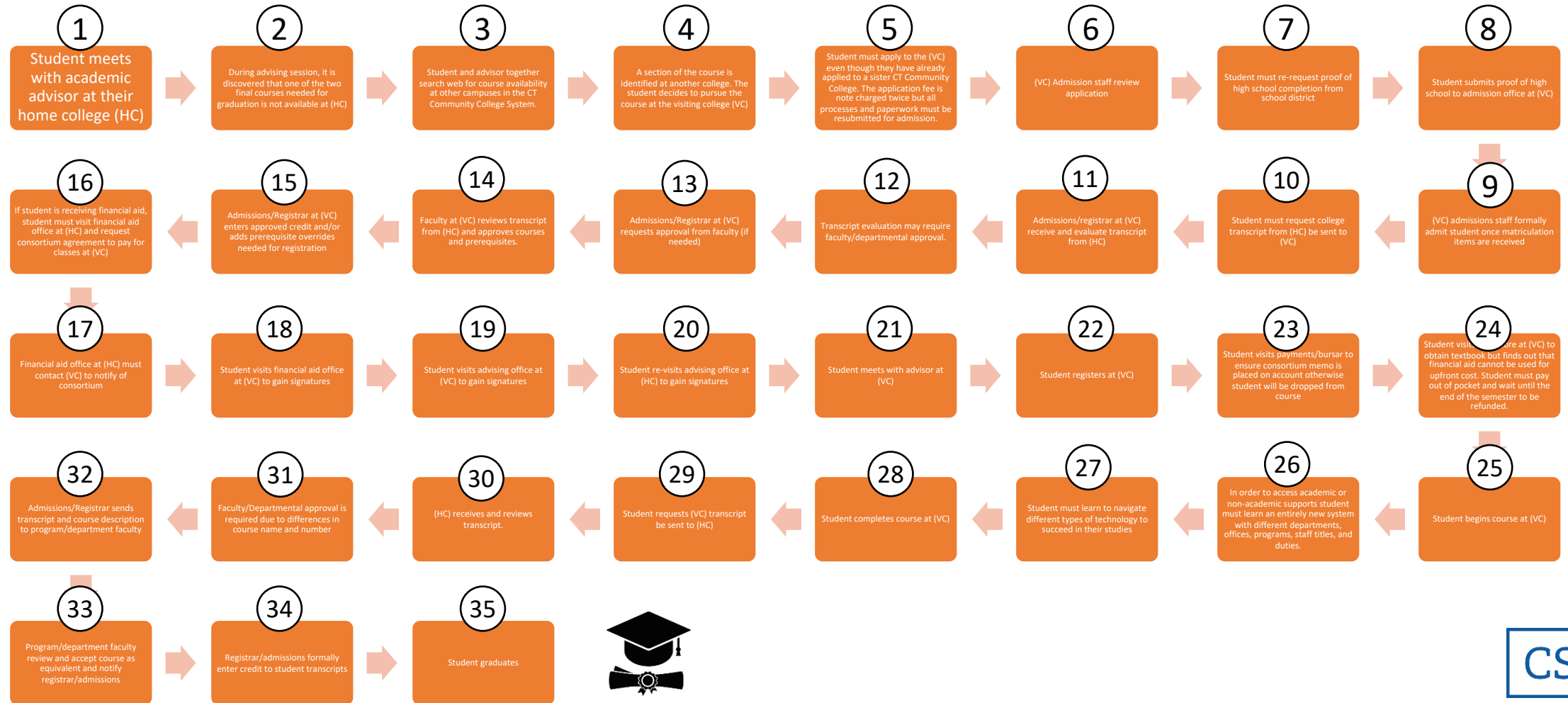


What does it take to complete?



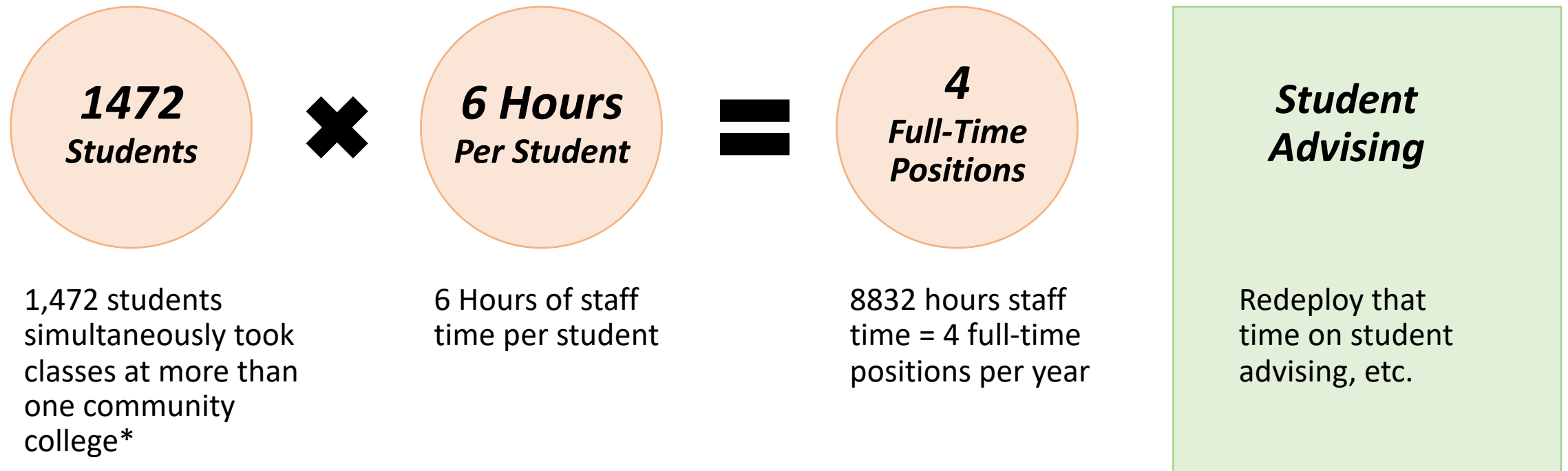
# Example: 35 Steps

## Current process with 12 colleges:



# Example I: Resources for 35 Steps

## Resources Required for Current Process



# Community College Consolidation

**Implementing the single college presents many types of challenges:**

- **Organizational Culture.** Some faculty and staff vehemently oppose consolidation.
- **Human Resources and Labor Relations.** Labor contracts include job security protections.
- **Technology.** Existing ERP is highly customized to accommodate historic independence of 12 campuses.

# Community College Consolidation

**Advancing consolidation has just become even more difficult because of COVID**

- **Revenue losses have eliminated any reserves**
- **Enrollment is impacted by K-12 school issues, unemployment, and fear of illness**
- **Organizational changes are difficult to implement in remote work environment**
- **Technology resources are being redeployed to remote learning**

# Connecticut State Colleges and Universities

Thank you for your attention.

Questions?

# Striving for Sustainability: Rethinking Higher Ed Finance

## Q&A



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Q&A

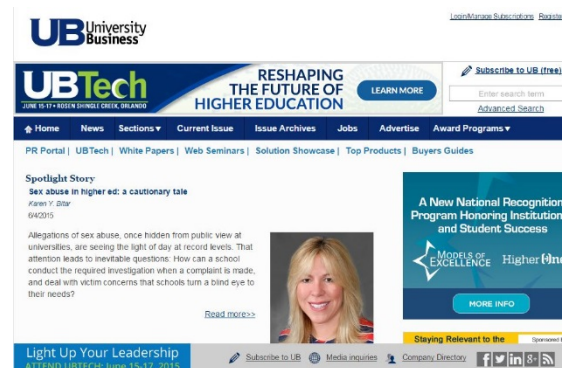


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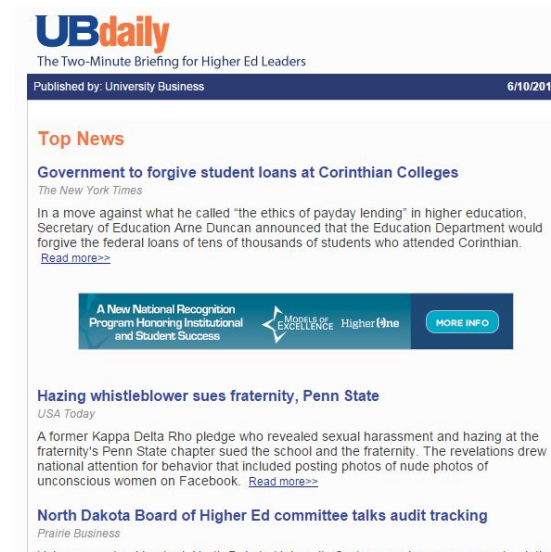
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