

## **Higher Education Tackles Program Prioritization: Practitioners Raise Questions, Provide Answers**

By Robert C. Dickeson  
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In the past ten months four workshops about academic program prioritization have been conducted, involving some 550 higher education officials from approximately 300 institutions in the U.S., Canada and Puerto Rico. A list of these workshops, the people who presented them, and information about their venues and participants is contained in Appendix A.

Each of the workshops requested feedback from participants about key questions surrounding the prioritization process on their respective campuses. Participants varied in terms of their experience with program prioritization: some were exploring the desirability of conducting a program prioritization process; others were mid-process and had questions about important next steps; and still others had completed the process and were contemplating undertaking a repeat of prioritization.

Academic program prioritization has been around for a long time, as campuses for decades have wrestled with the issues of program demand, quality and productivity. In 1999 I wrote a book which outlined a prescribed process for undertaking prioritization<sup>1</sup> By 2010, however, when an updated version of the book appeared, the timeliness of its subject matter was more critical, as colleges and universities faced severe financial shortfalls and external demands for accountability.

Based on the renewed interest in program prioritization and the significant participation and rich experiences shared by the participants in the four workshops, it might prove helpful to the higher education community to amalgamate the findings obtained from these sources into one report. Pulling these matters into one form and sharing it with all colleges and universities is the purpose of this report.

While the format for surveys and the means of expressing feedback varied somewhat by workshop (and therefore would not meet research standards for validity or reliability) I have tried nonetheless to assess the expressions of concerns and issues felt across all four groups of participants and present them here in six parts:

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<sup>1</sup> Dickeson, R.C. *Prioritizing Academic Programs and Services: Reallocating Resources to Achieve Strategic Balance*. San Francisco: Jossey Bass Publishers. 1999. Revised and Updated, 2010.

- I. THE DRIVING FORCE: What's the impetus behind the desire to prioritize?
- II. EXPECTATIONS: What do you hope to get out of prioritization (What are the opportunities)?
- III. CHALLENGES: What are the perceived barriers to prioritizing?
- IV. CRITERIA: What are the relative weights of the ten criteria?
- V. DATA: What are the key sources for data to support program analysis?
- VI. OTHER: What other issues surface in setting priorities?

**I. THE DRIVING FORCE: What's the impetus behind the desire to prioritize?**

Not surprisingly, participants across all four groups identified "overall financial stress" as a key reason for undertaking program prioritization.

Other reasons for prioritizing included:

- Setting priorities is a part of our overall strategic planning
- Making cuts across-the-board is no longer acceptable
- Prioritization is a recurring process, tied to planning, resource allocation, and assessment
- Being pushed by our chief academic officer in order to achieve academic excellence
- Governing board is insisting we set priorities

**II. EXPECTATIONS: What do you hope to get out of prioritization (What are the opportunities)?**

Participants identified a variety of expectations for prioritization which analytically fell into four discrete categories. Representative responses included:

**Financial**

- Addresses our net decline in financial resources
- Identifies savings
- Creates an incentive fund for change
- Balances efficiency and efficacy in investments
- Our top programs need more resources
- It responds to budget cuts and adjustments
- We have too many under-resourced programs
- Have to do it if we are to increase faculty salaries

- We need financial sustainability
- Achieves optimal use of limited resources through resource allocation
- Upcoming campaign: it will help us decide what to invest in

#### **Academic**

- Provides greater clarity to mission
- We suffer from years of inattention to prioritizing
- Improve academic quality
- We feel adjuncts play too big a role
- We are facing re-accreditation
- We have to resolve maintaining our liberal arts core versus career program demand
- Need new programs, especially multi-disciplinary programs
- This will help us educate faculty about new program criteria and costs of new delivery system
- This will help resolve faculty workload issues and individual requests
- Program renewal and continuous improvement

#### **Organizational**

- Requested by our president
- This is seen as part of strategic planning
- We have board members with business backgrounds
- We have a new president and a new chief academic officer
- Need to look at support programs, as well
- We need to do this at every level on campus
- It will enable us to leverage opportunities
- It's an identifiable process to achieve consensus

#### **Other Issues**

- It will help us resolve space allocation issues
- It provides external accountability to the public, and to our students
- It's responsive to external stakeholders

### **III. CHALLENGES: What are the perceived barriers to prioritizing?**

Participants anticipated that three types of challenges would emerge on their campuses as they approached the subject of prioritization.

### **Resistance by the Faculty**

- Buy-in by the faculty
- Fear of job loss
- Tenure issues
- Unions
- Resistance: “How can you be a university without XYZ program?”

### **Campus Dynamics**

- Do we have the courage to bite the bullet?
- Time is a limited resource
- Setting priorities is inconsistent with our culture
- Politics, internal and external
- Our mission is too broad
- We’re not used to tackling hard problems
- Ensuring committee members act as trustees of the institution and not as representatives of their programs

### **Implementation Issues**

- Internal processes and administration
- Tools and mechanisms to manage all the information
- Balancing what we have been versus what we can become
- Keeping leaders focused and committed
- Determining a clear and fair decision-making process
- Implementing the decisions – phasing out programs, ramping up investment in others

## **IV. CRITERIA: What are the relative weights of the ten criteria?**

The author asserts that academic programs should be measured and analyzed by using ten criteria. Participants have very different views of the relative importance of each criterion. Just as not all programs are equal, so all criteria are not equal. It is important, therefore, to assign relative weights, and participants suggested ways to do so which made sense on their respective campuses.

Rank-Order of Relative Importance of Criteria (CAOs and CFOs from independent colleges)

1. External demand for the program
2. Quality of outcomes
3. Size, scope and productivity of the program

4. Impact, justification and overall essentiality of the program
5. Costs and other expenses associated with the program
6. Internal demand for the program
7. Revenue and other resources generated by the program
8. History, development, and expectations of the program
9. Quality of program inputs and processes
10. Opportunity analysis of the program

Note: Some participants preferred to merge revenue and cost categories into a new category, “net revenue.”

## **V. DATA: What are the key sources for data to support program analysis?**

It is one thing to declare the importance of a criterion, it is another to identify the available sources of data to support it. Participants shared their ideas about sources they would use – or have used – to buttress the analysis of programs, criterion-by-criterion.

### Criterion 1: History, development and expectations of the program

#### Sources of Data

- Historical enrollment patterns
- Alignment with mission (academic plan, business plan, annual reports, self studies, program reviews, board documents, presidential and CAO judgments, mission statements)
- Relationship to national research agenda
- Relationship to labor market data
- State requirements and goals
- External reputation as measured by state coordinating board
- Geographic uniqueness in state, region
- Legacy programs with reputation that draws students
- Incubator of institutional faculty leadership and advancement
- Degree to which program contributed (and still contributes) to institutional expectations
- Extent to which program is “core” to the educational experience
- Faculty and student data over time
- Does the program address critical shortage areas in the state?

### Criterion 2: External demand for the program

#### Sources of Data

- IPEDS Reports: Enrollments
- College Board data

- Noel-Levitz reports
- HERI reports
- Incoming transfer students
- U.S. Department of Labor projections
- Employer feedback
- Placement office reports on placement, alumni, professional association reports
- State/regional needs; economic development data
- Student application information
- Marketing surveys, new or non-traditional students
- Offer-to-acceptance rate trends
- State and federal requirements
- Program added or cancelled at nearby rival institutions

Criterion 3: Internal demand for the program

Sources of data

- Student enrollments in program (Institutional Research, Registrar, Admissions)
- Programs that support majors and minors of other programs
- Level of shared curriculum with other programs; cross-listing of courses
- Program mapping of courses delivered
- Student credits generated by: major, minor, general education, service courses
- Formal interdisciplinary programs
- Patterns of student self-directed programs
- Projections of future internal demand

Criterion 4: Quality of program inputs and processes

Sources of data

- Student academic profile data
- Other schools applied to and enrolled (NSLC, FAFSA, ACT, SAT sources)
- Percent of faculty with Ph.D.
- Percent of faculty with awards or other national distinction
- Quality of holdings/equipment/facilities needed to execute the program
- Program review data; specialized program accreditation
- Faculty expertise in teaching methodologies
- Faculty experience

Criterion 5: Quality of program outcomes

Sources of data

- Measures of graduate satisfaction
- Graduation rates
- Job placement and success; earnings reports
- Success rates on graduate examinations (GRE, LSAT, MCAT, state licensure exams)
- Graduate and professional school enrollments
- Number of graduates completing graduate and professional degrees
- Involvement in community and public service
- Recognition and awards
- Student learning outcomes, portfolio quality
- Employer satisfaction surveys
- Alumni support, donor database
- Faculty awards, prizes, professional distinction
- Graduates' publications and presentations
- Other external validation of quality

Criterion 6: Size, scope and productivity of the program

Sources of data

- Ratio of students to faculty; adherence to such formulas
- Applicant-to-capacity ratios
- Applications-to-yield, by program
- Enrollments
- Section fill rates
- Five-year graduation rates, trend-line
- Volume of sponsored research results
- Student retention rates, by program
- Number of clients served, internal and external
- Redundancy of courses across the institution
- Proportion of faculty time spent in teaching/research/service

Criterion 7: Revenue and other resources generated by the program

Sources of data

- Tuition, program-allocated
- Grant income and F & A
- Gifts and donations, program-specific
- State or federal funding, program-specific
- Revenue from clinics, centers, other enterprises; ticket, workshop income

- Special program fee income
- Online program revenues
- Other revenues obtained

Criterion 8: Costs and other expense associated with the program

Sources of data

- Fully allocated cost per FTE student
- Allocated institutional support (library, computing, tutoring services, other administrative support)
- Required expenses for regulatory or specialized accreditation requirements
- Marginal cost of program (Delaware Study of Instructional Costs; Control Data stores; faculty salaries, credits generated by section, capital and equipment)
- Informational technology costs (EDUCAUSE)
- Variable costs
- Analysis of long-term versus short-term costs
- Depreciation
- Cost of duplicate or redundant courses/programs/services
- Salary benchmark data

Criterion 9: Impact, justification, and overall essentiality of the program

Sources of data

- Contribution to reputation
- Contribution to state's economy
- Degree to which program is "mission-critical"
- Other measures of value
- Contains elements/resources for forward-looking new programs
- Potential to become a national leader
- Contribution to the advancement of knowledge
- Long-term need versus short-term demand
- Political influence

Criterion 10: Opportunity analysis of the program

Sources of data

- New program opportunity: potential net revenues, potential for "signature" program status; potential for unique niche programs
- Exploration of alternative delivery mechanisms
- Formation of productive external partnerships and collaborations
- Potential for interdisciplinary programs
- Opportunity to realign or strengthen existing programs



- Specialized programs for key stakeholders

#### Additional National Data Sources

- FAFSA data
- NSLC
- ACT/SAT
- AGB Information Mosaic
- NSSE Reports
- CIC: KIT and FIT Reports
- National College Health Assessment
- CUPA data
- AAUP Salary data
- IPEDS peer analysis tool; peer executive tool
- SCUP
- APAA
- EDUCAUSE
- Bond ratings from Moody's, Standard and Poors

#### **VI. OTHER: What other issues surface in setting priorities?**

Both during and after prioritization workshops, participants raised questions specific to their own campuses. As some of these questions may apply to other institutions, they are listed here, by category.

- How to strengthen the relationship between the CAO and the CFO on a campus
- How to handle price wars in the higher education market, and reduce the growth of tuition discounting
- Reviewing programs periodically versus simultaneous review and prioritization
- Integrating the role of research into the prioritization process
- Desirability of a school or college within a university undertaking prioritization, even if the university as a whole does not
- How to allocate costs among several programs within a department
- Need to look at external demand data over time, not just one year
- The use of one or two steering committees to review academic and non-academic programs
- The factors that cause prioritization to fail

Finally, many workshop participants offered positive suggestions to their fellow participants on how to handle critical issues.

| <u>ISSUE</u>         | <u>POSSIBLE SOLUTION</u>  |
|----------------------|---|
| “Politics” on Campus | --Define the process openly and consistently<br>--Focus on the problems that drive the need to prioritize<br>--Identify and include major stakeholders<br>--Adhere to the process rigorously<br>--Communicate, communicate, communicate   |
| Faculty Resistance   | --Get faculty involved early on<br>--Educate about the “big picture”<br>--Share the data openly<br>--Bring in an outside facilitator<br>--Translate data into information<br>--Communicate continuously   |
| Overbroad Mission    | --Use presidential vision statement<br>--Develop metrics to measure quality, productivity, finance<br>--Make prioritization process inclusive<br>--Determine what adds the most <u>value</u> in support of the mission<br>--Concentrate on what we are to become, rather than what we have been |

### **Conclusion**

This paper has been designed to reflect the impressions, concerns and suggestions of hundreds of practitioners involved in some stage of program prioritization. One must conclude that prioritization is a dynamic process affecting higher education, and that the principles of its conduct and implementation are being customized to fit a variety of institutions.

## **APPENDIX A**

### **Four Sources**

1. NACUBO Webcast, January 19, 2010

Presenters: Robert C. Dickeson, Victoria Payseur and Richard Staisloff

Participants: 135 institutions; participants were presidents, vice presidents for finance and administration, vice presidents for academic affairs, controllers, budget directors, deans, directors of institutional research.

2. ACADEMIC IMPRESSIONS Webinar, July 16, 2010

Presenters: Robert C. Dickeson and Larry Goldstein

Participants: 272 registrants; participants were presidents, provosts, chief financial officers, other academic and business leaders, board members.

3. ACADEMIC IMPRESSIONS Workshop, October 18-19, 2010

Presenters: Robert C. Dickeson and Larry Goldstein

Participants: 50 registrants; participants were teams and individuals from 23 institutions, presidents, provosts, financial officers, other academic and business leaders, institutional research officers.

4. COUNCIL OF INDEPENDENT COLLEGES Workshop, November 8, 2010

Presenters: Robert C. Dickeson and Johann Lindig

Participants: 96 registrants; participants were chief academic officers and chief financial officers from approximately 50 institutions.

## Current Resources

Fusch, Daniel, "Securing New Resources in a Difficult Financial Climate," Academic Impressions Higher Ed Impact, October, 2010, pp. 6, 11. Available at [www.academicimpressions.com/news](http://www.academicimpressions.com/news)

Lederman, Doug, "The Pressure to Prioritize," Inside Higher Ed, November 11, 2010.

Turner, Trae (ed), "Back to Basics," Business Officer (July/August 2010) p. 55.

Council of Independent Colleges *Independent*, (Fall 2010), p. 9.