

# AIKCU Optimizing Academic Balance Project

Report to the Council on Postsecondary Education  
June 28, 2019



# **AIKCU has completed three rounds of Optimizing Academic Balance (OAB) analyses**

- Funded by a generous grant from the James Graham Brown Foundation to support the long term financial viability of Kentucky's independent colleges
- Provides tools/information to help colleges remain competitive
- First time OAB has been conducted for a group of like institutions, providing comparative data
- 13/18 AIKCU members participated
- OAB uses institution's own data to measure program demand, SCH generated, and costs for each major
- Institutions had financial "skin in the game" and devoted significant staff resources
- Each campus receives a thorough report to inform institutional decision-making

## **Participating Institutions**

Alice Lloyd College  
Asbury University  
Bellarmine University  
Brescia University  
Campbellsville University  
Georgetown College  
Kentucky Christian University  
Lindsey Wilson College  
Spalding University  
Thomas More University  
Transylvania University  
Union College  
University of Pikeville

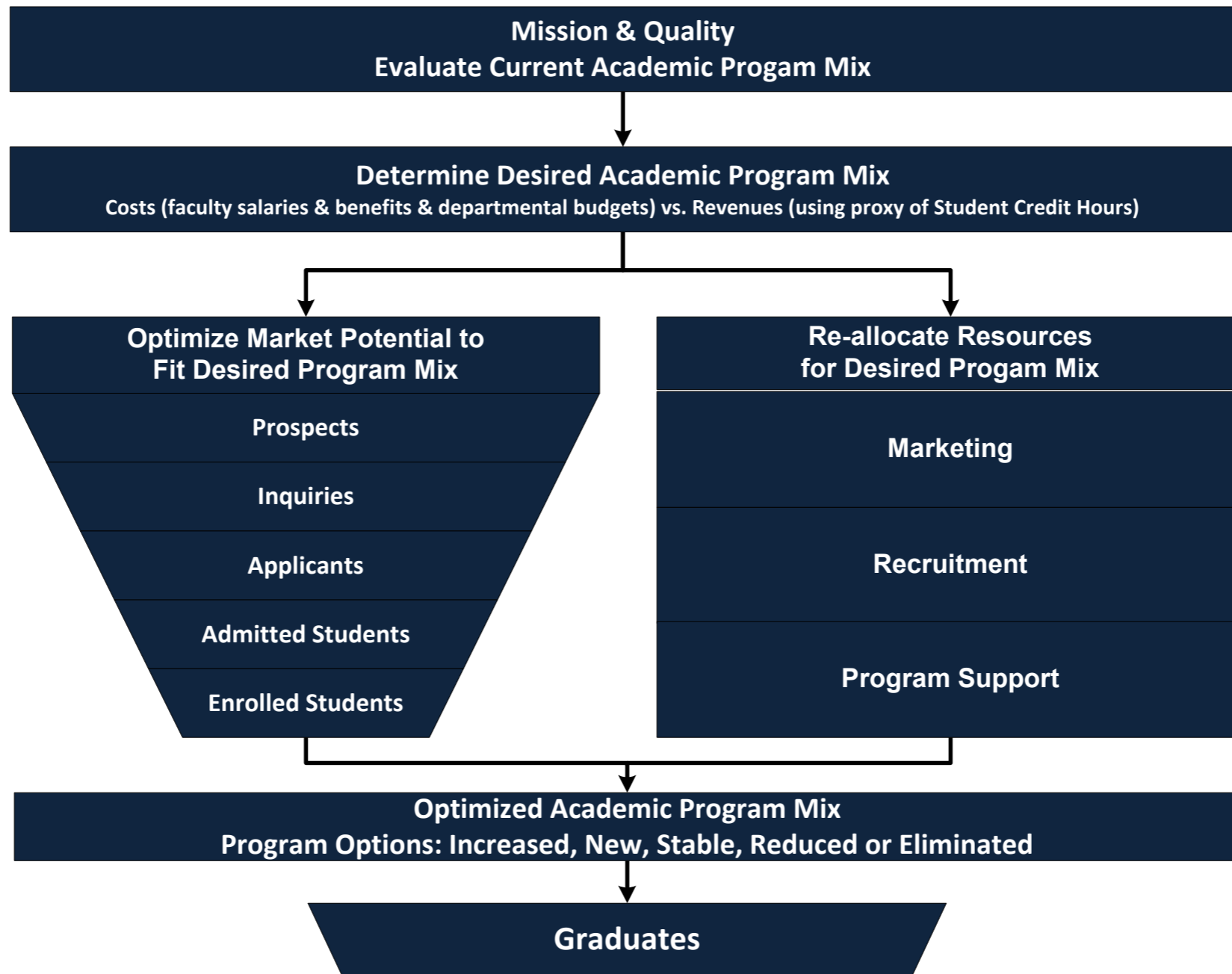


Best Practices  
Strategic Solutions

**Optimizing Academic Balance (OAB) provides colleges and universities with effective tools to use in making crucial academic decisions needed to stay competitive. In the context of your institutional mission, quality, market potential, cost and revenue, OAB:**

*Examines the long-term viability of each college/university major;  
Identifies opportunities for academic program growth or expansion;  
Identifies areas where costs may need to be contained or reduced;  
Identifies majors that are having student success problems;  
Provides knowledge you may use to redirect resources where needed most to increase enrollment, maximize the value of the curriculum and strengthen institutional viability.*

**Reshaping Your Curriculum to Grow the Bottom Line**  
**Optimizing Academic Balance: Mission, Quality, Market Potential, Cost and Revenue**



Best Practices  
Strategic Solutions

# Detailed reports delivered to campus stakeholders

Figure 16: From Where Do Our Inquiries Interested in Particular Subjects Come?

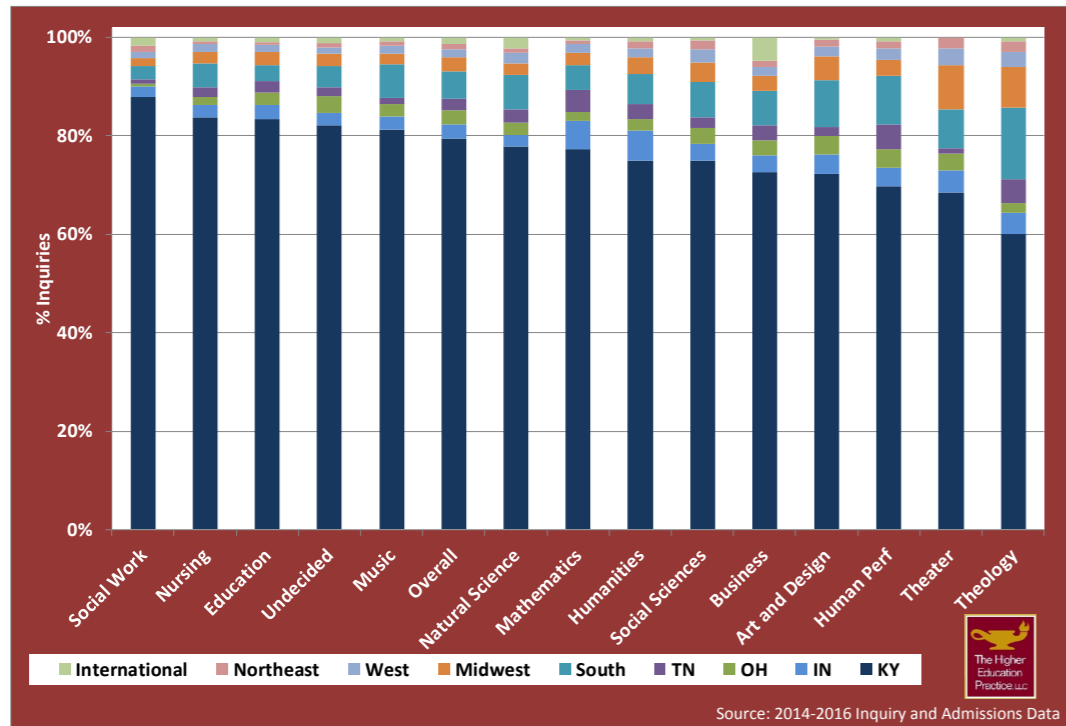


Figure 24: External & Internal Demand & Cost/SCH Vary Substantially by Subject Area Sorted by Cost / SCH

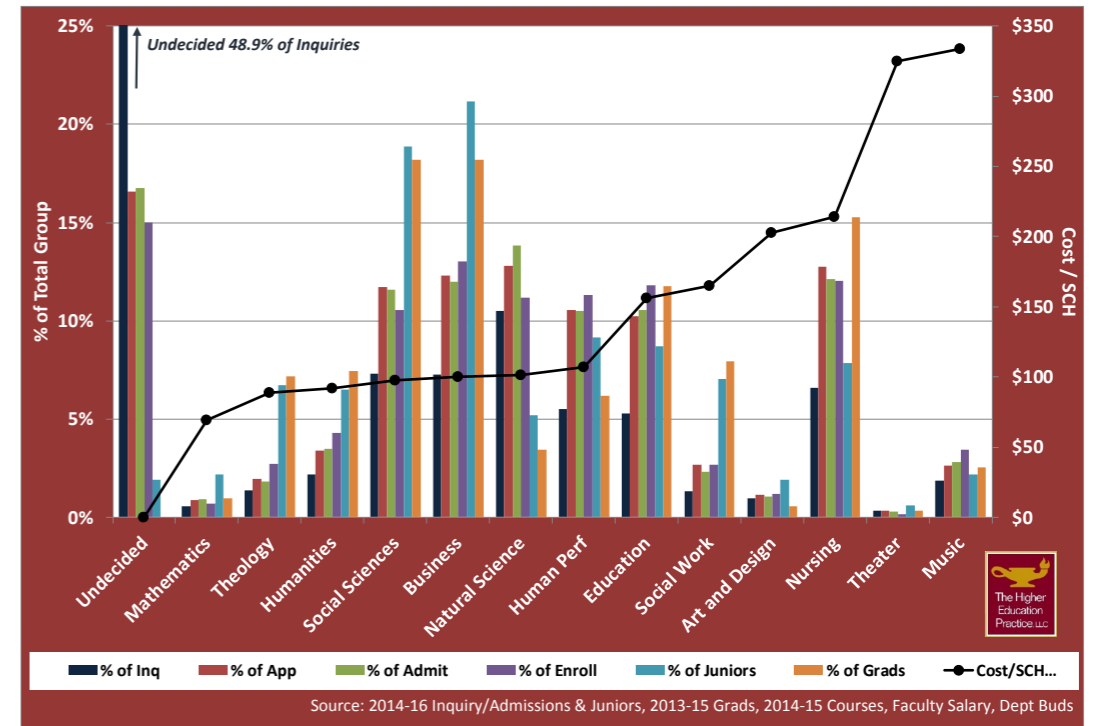


Figure 2: Range of Total Cost per Student Credit Hour (SCH) - Sorted by Width of Range

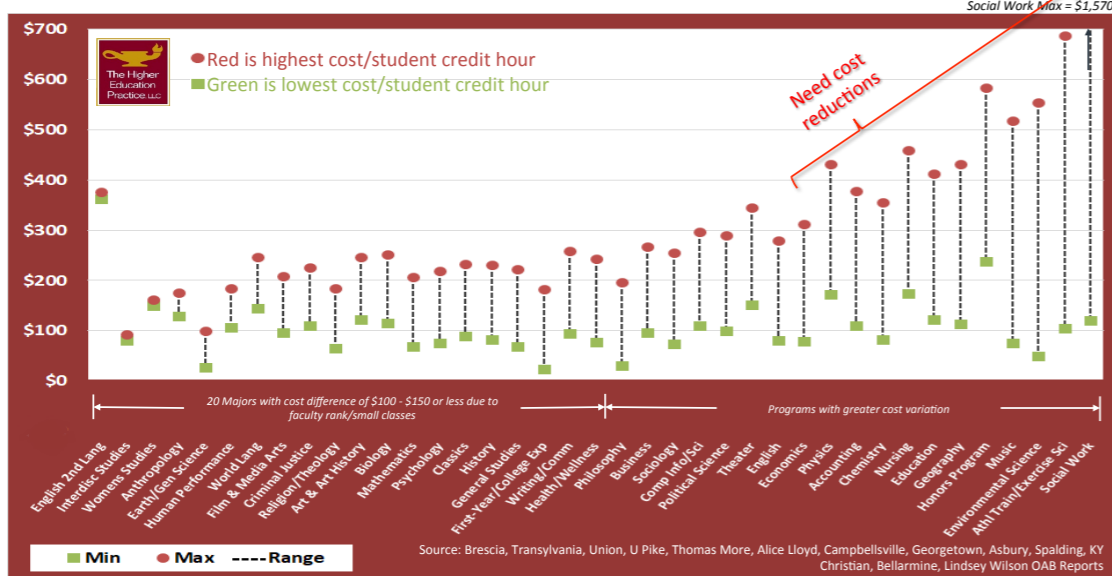
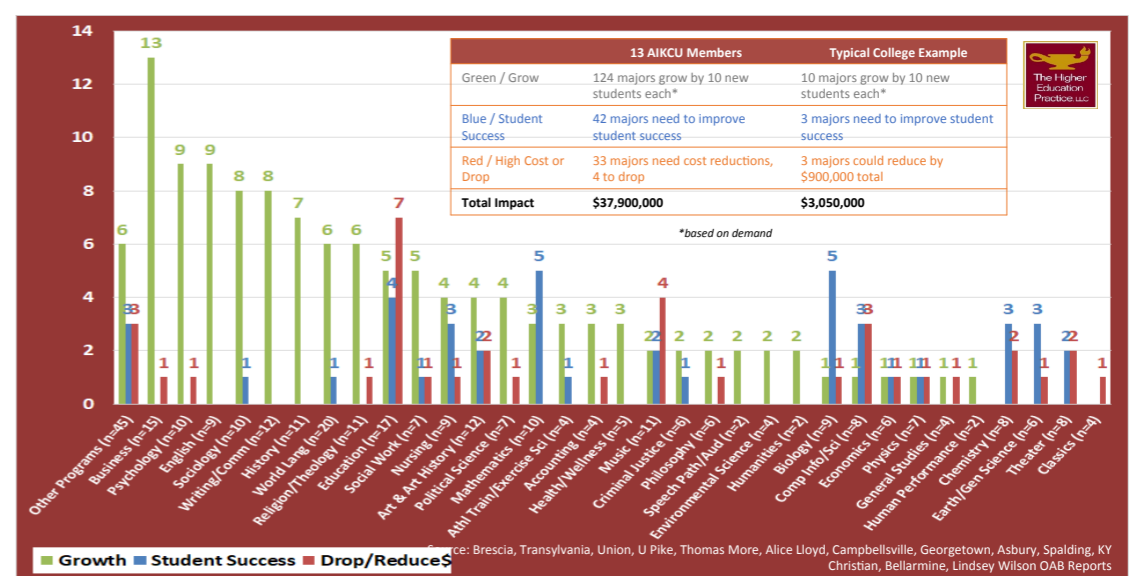
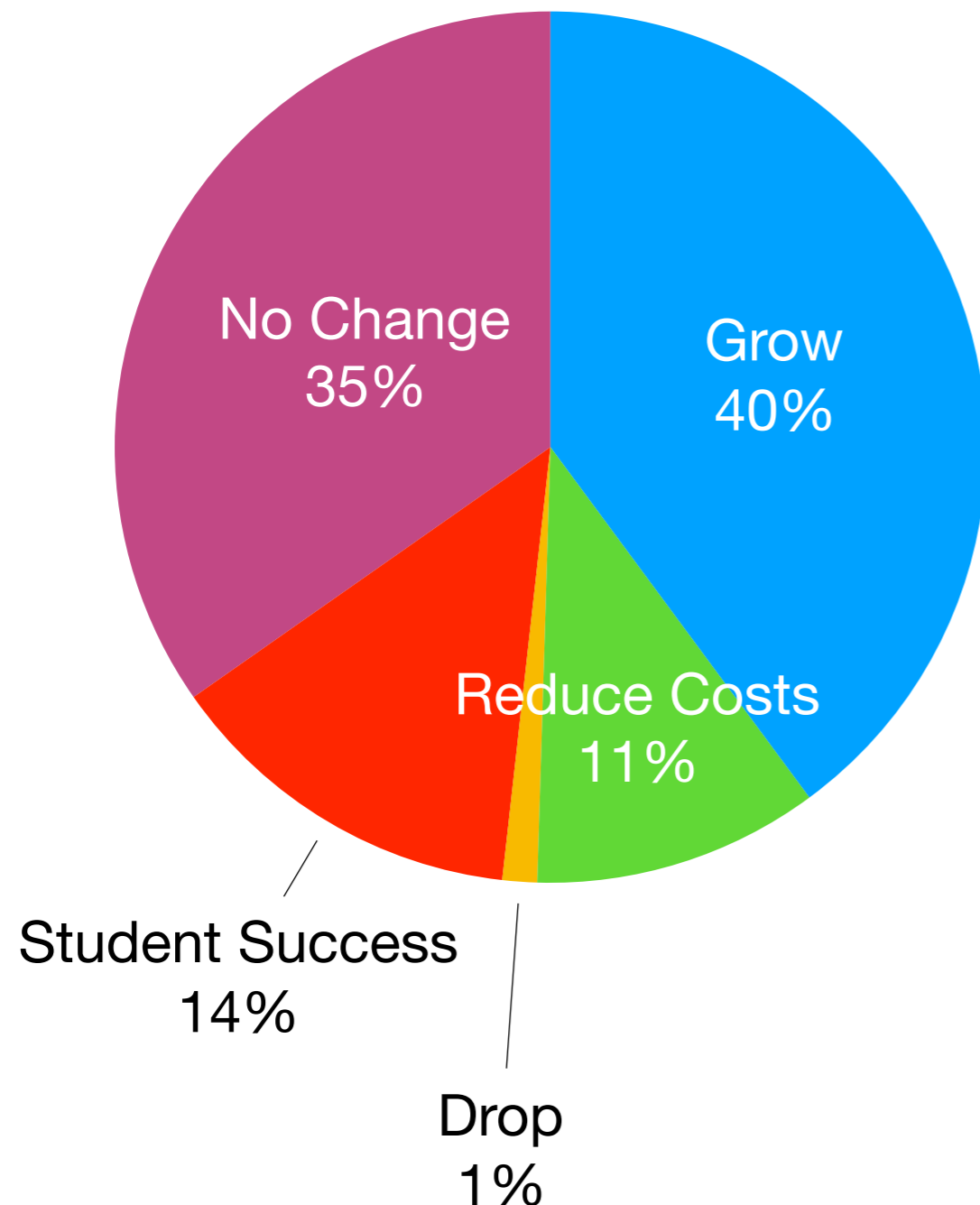


Figure 8: Number of Programs to Consider for Growth, Student Success, or Dropping



# Evaluated 311 total majors



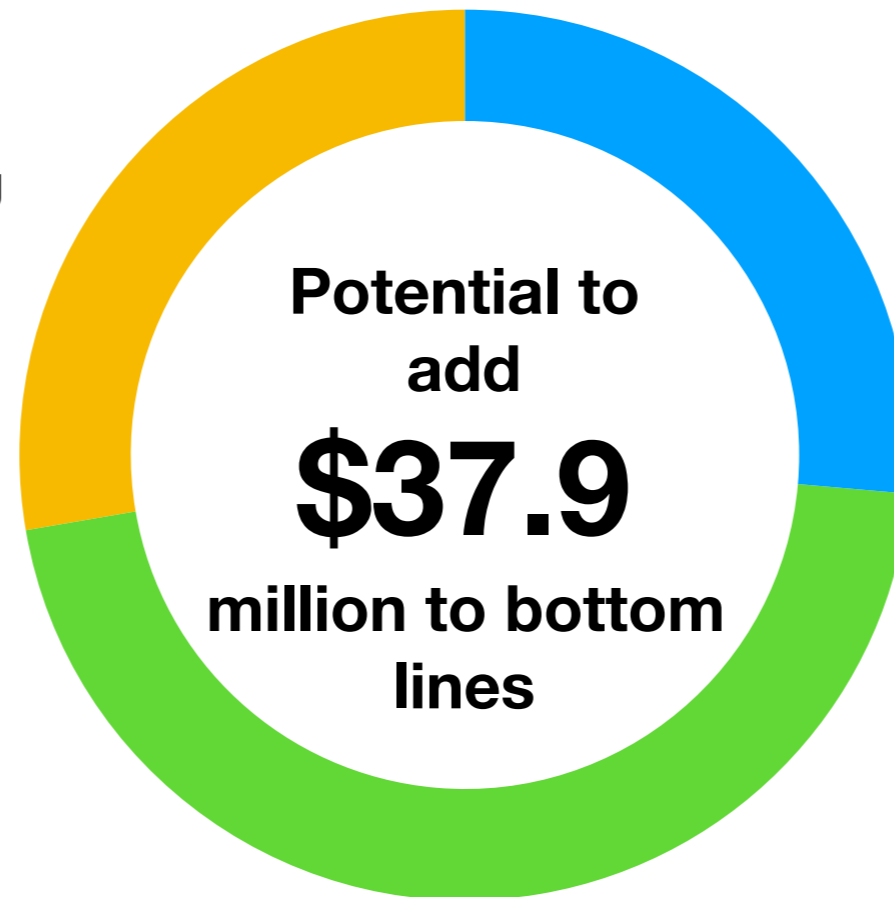
- 35% (n=108) no change recommended
- 40% (n=124) potential to grow
- 14% (n=42) need to address student success issues
- 11% (n=33) need to reduce costs
- 1% (n=4) recommended dropped

# Identified nearly \$38 million in potential annual bottom line improvements

## STUDENT SUCCESS:

**\$10.5 million**

Identified 42 programs with student success issues. Assuming each lost student costs \$25,000 (net tuition revenue + recruitment costs + financial aid provided), retaining an additional 10 students per program could recapture \$10.5 million/yr.



## COST REDUCTIONS:

**\$10 million**

33 programs have potential to reduce costs; 4 were recommended dropped. Combined cost reductions could result in savings of \$10 million/yr.

## GROWTH POTENTIAL: \$17.4 million

124 programs show potential to grow enrollment. If each of these programs grew by 10 students it could generate an additional \$17.4 million/yr. in net tuition revenue.



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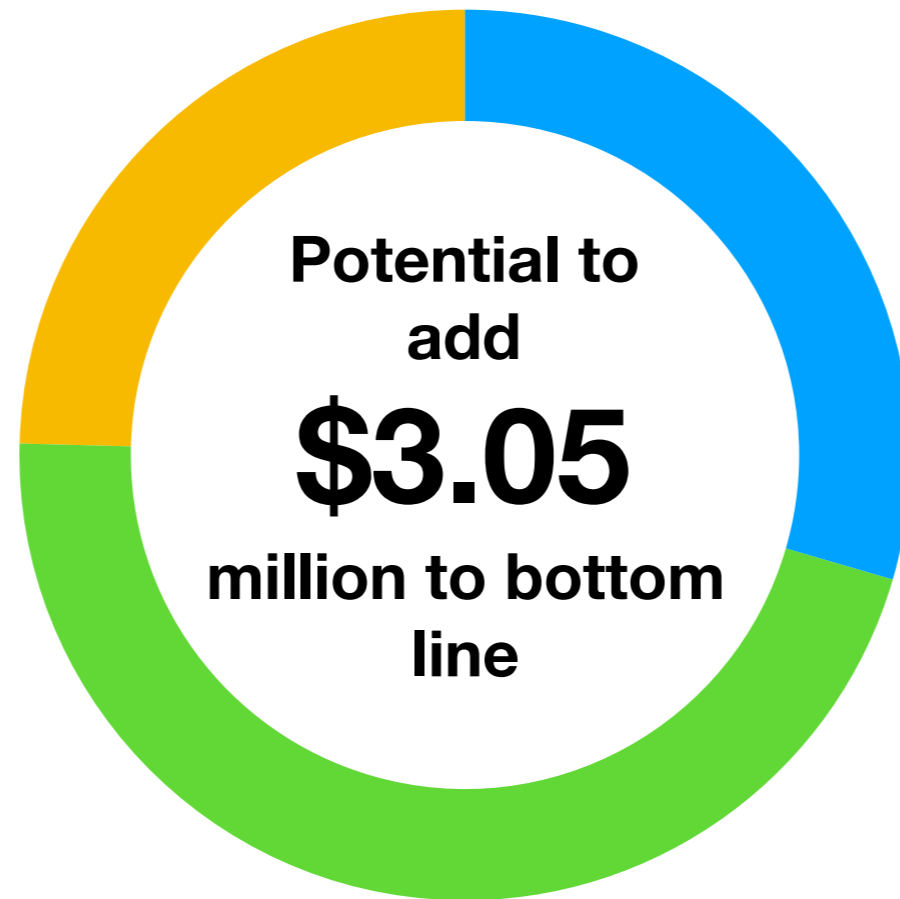
# Potentially adding \$3 million to the bottom line at a typical institution

(based on average across 13 institutions)

## STUDENT SUCCESS:

**\$750,000**

3 programs improve student success & retain 10 more students each = \$750,000 savings/yr.



## COST REDUCTIONS:

**\$900,000**

3 programs could reduce costs for \$900,000 in total savings.

## GROWTH POTENTIAL: \$1.4 million

10 programs show potential to grow enrollment. If each of these programs grew by 10 students it could generate an additional \$1.4 million/yr. in net tuition revenue.



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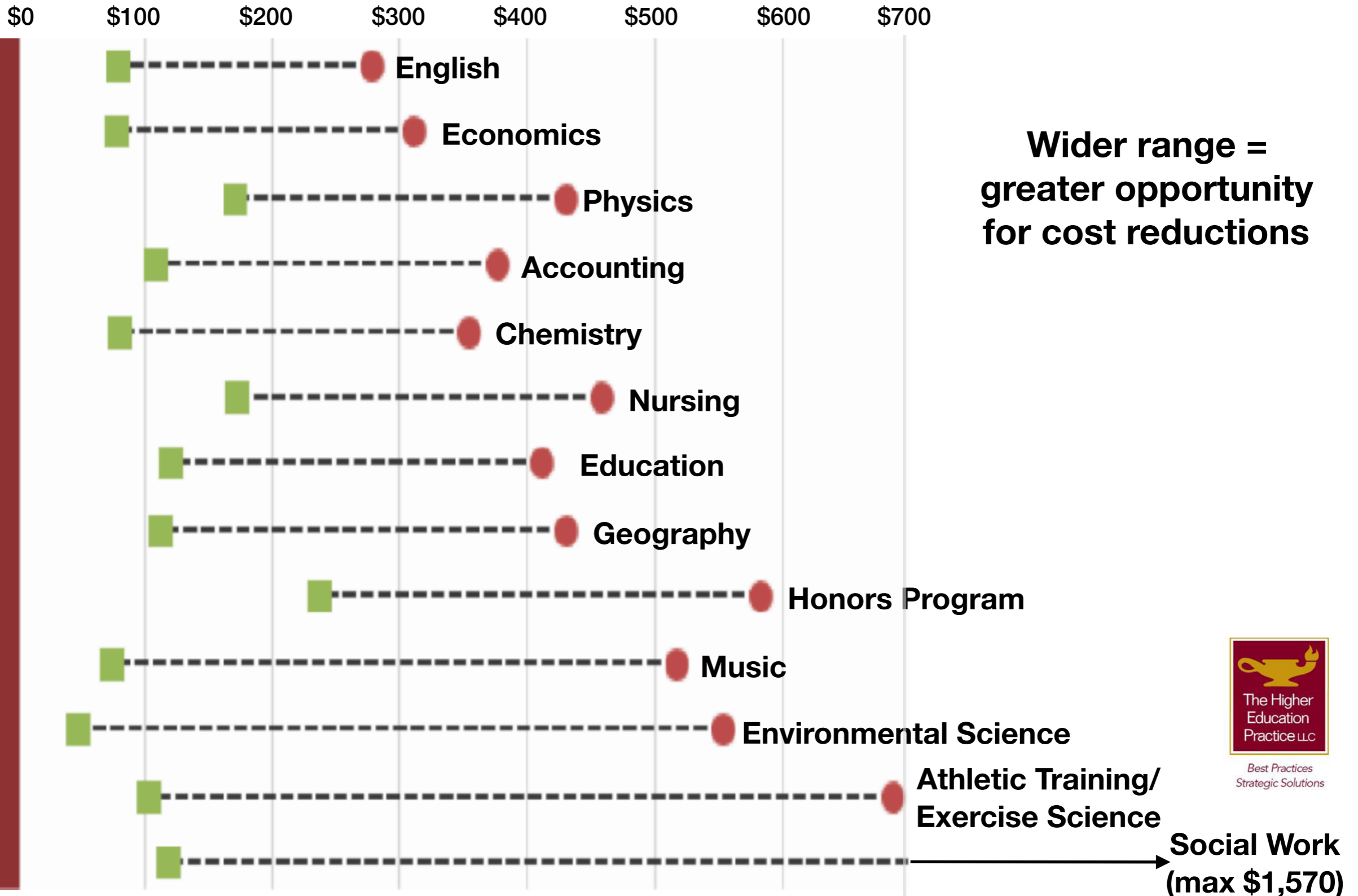


**Comparative cost per student credit hour (SCH) data shows where costs are out of line with other Kentucky institutions, prompts deeper analysis**

# Range of Total Cost Per Student Credit Hour (SCH)

(Majority of programs have ranges <\$150 and not shown)

Green = lowest cost/student credit hour    Red = highest cost/student credit hour

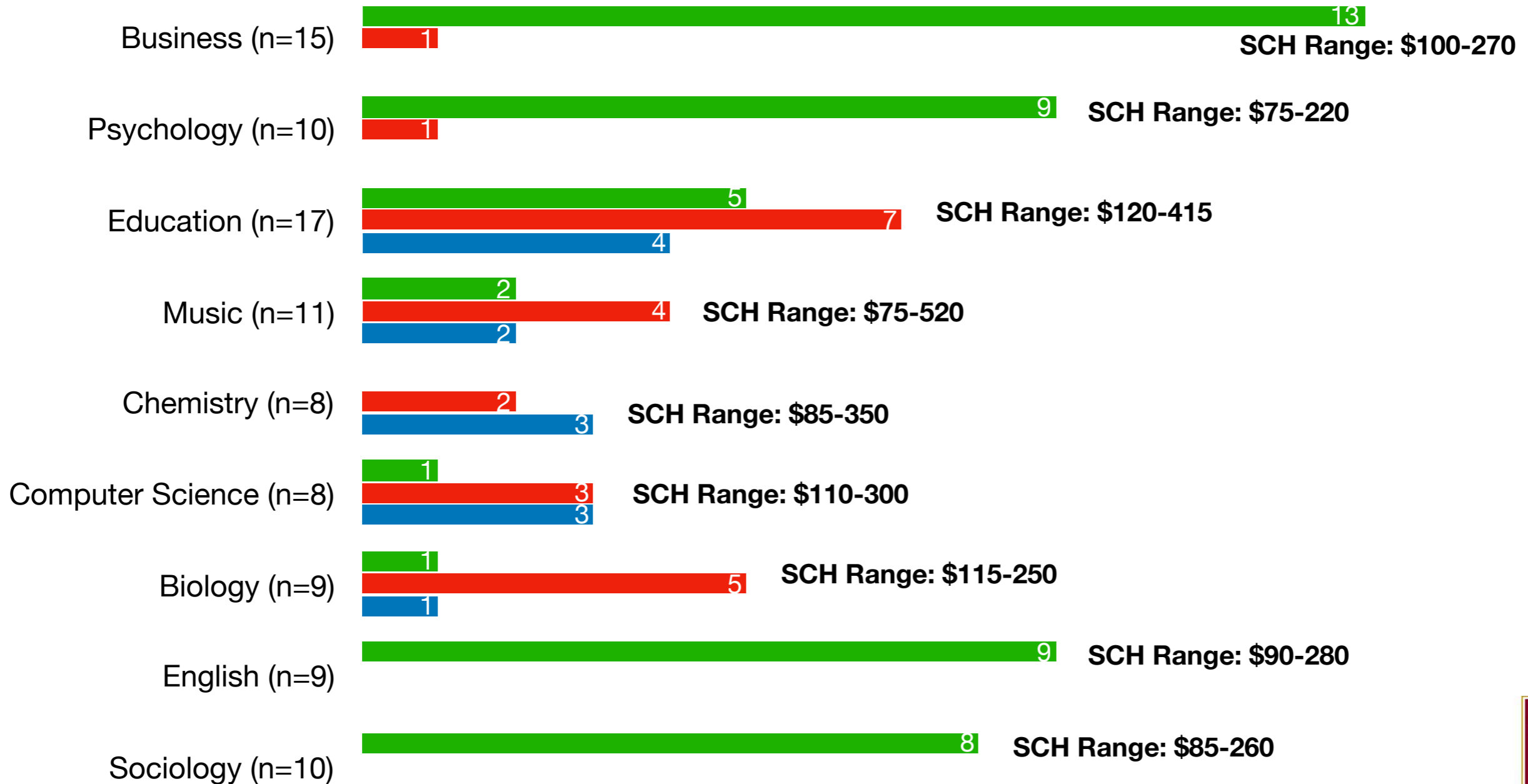


**Wider range =  
greater opportunity  
for cost reductions**



# Common programs with recommendations

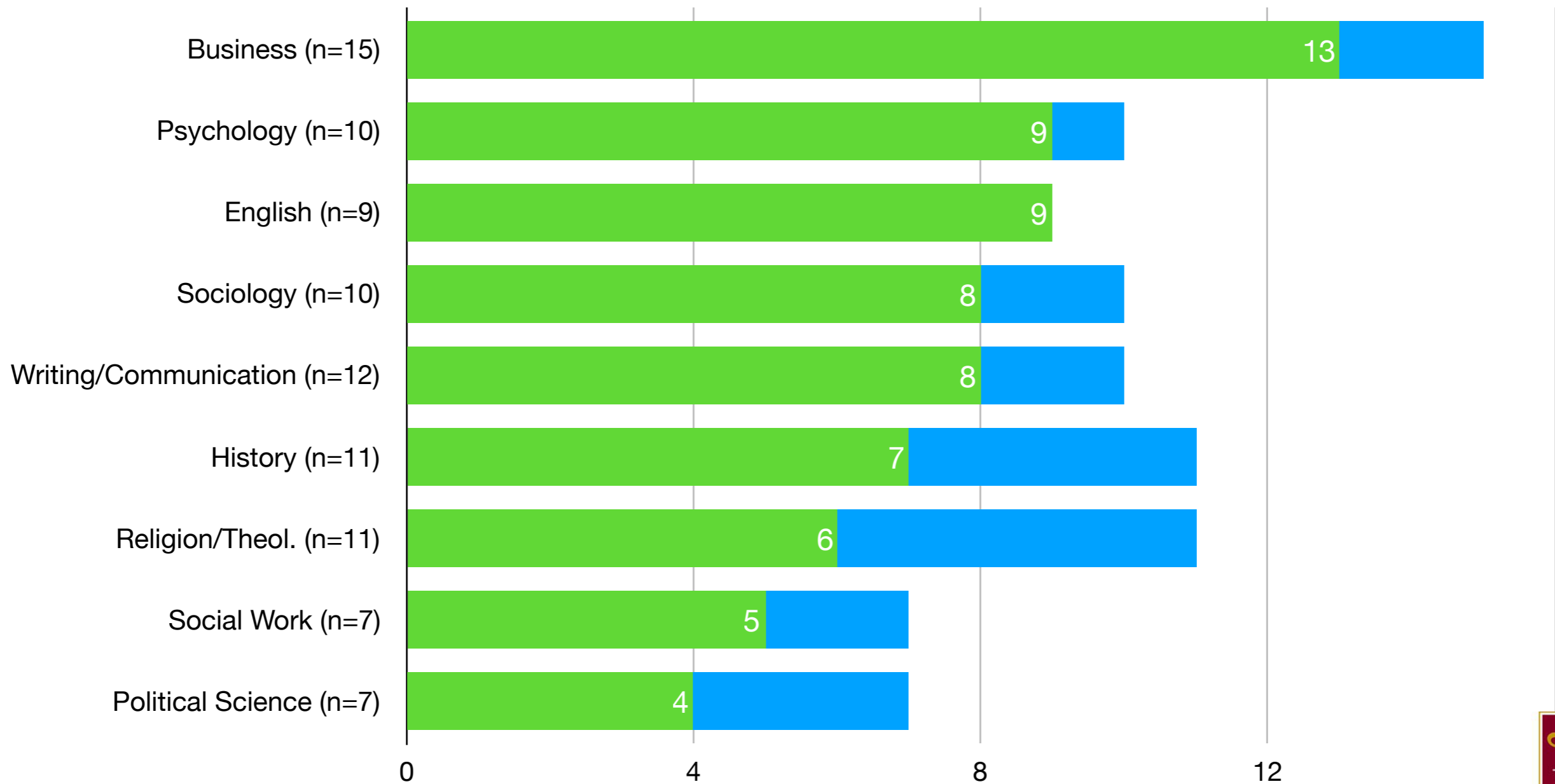
■ Grow   
 ■ Reduce \$   
 ■ Improve Student Success



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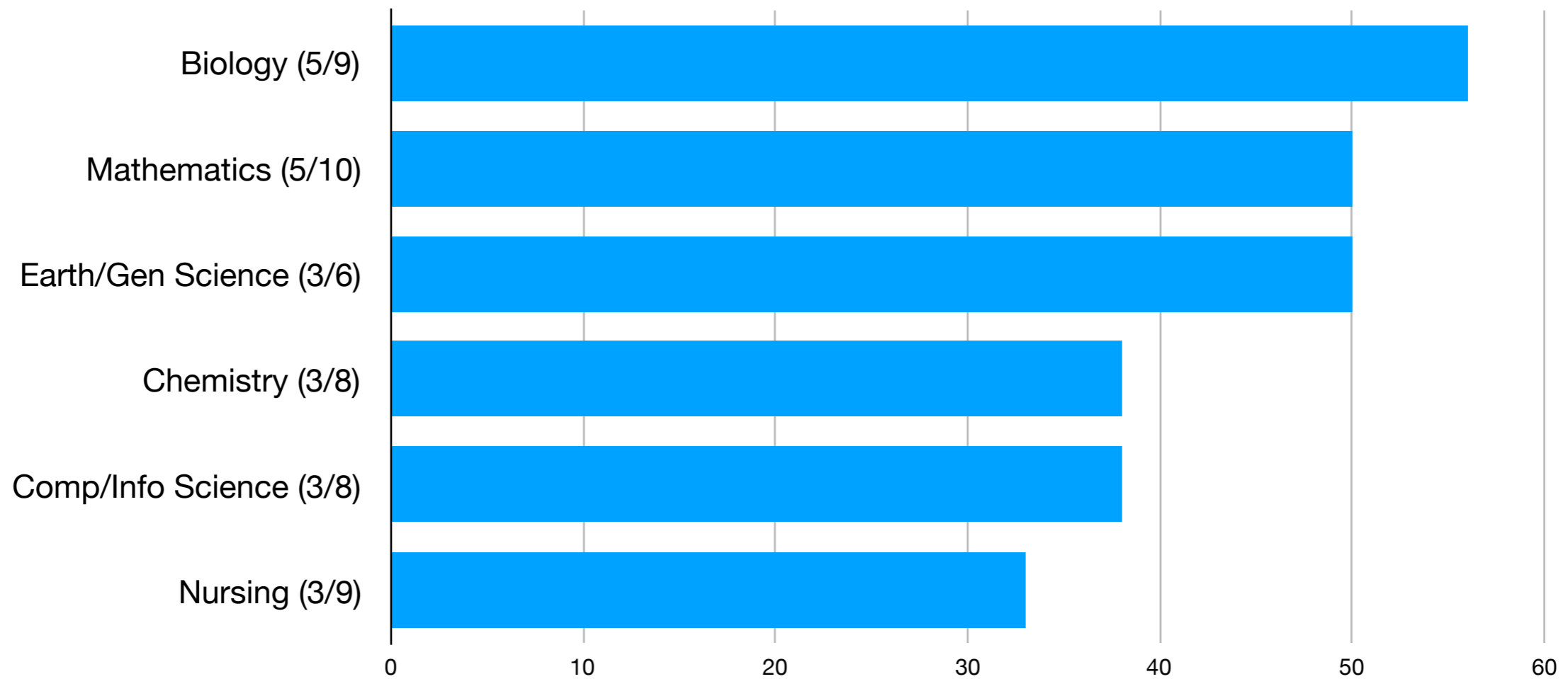
# Surprise?

Programs with high opportunities for growth (green) relative to totals



# Student success issues prevalent in STEM+H majors

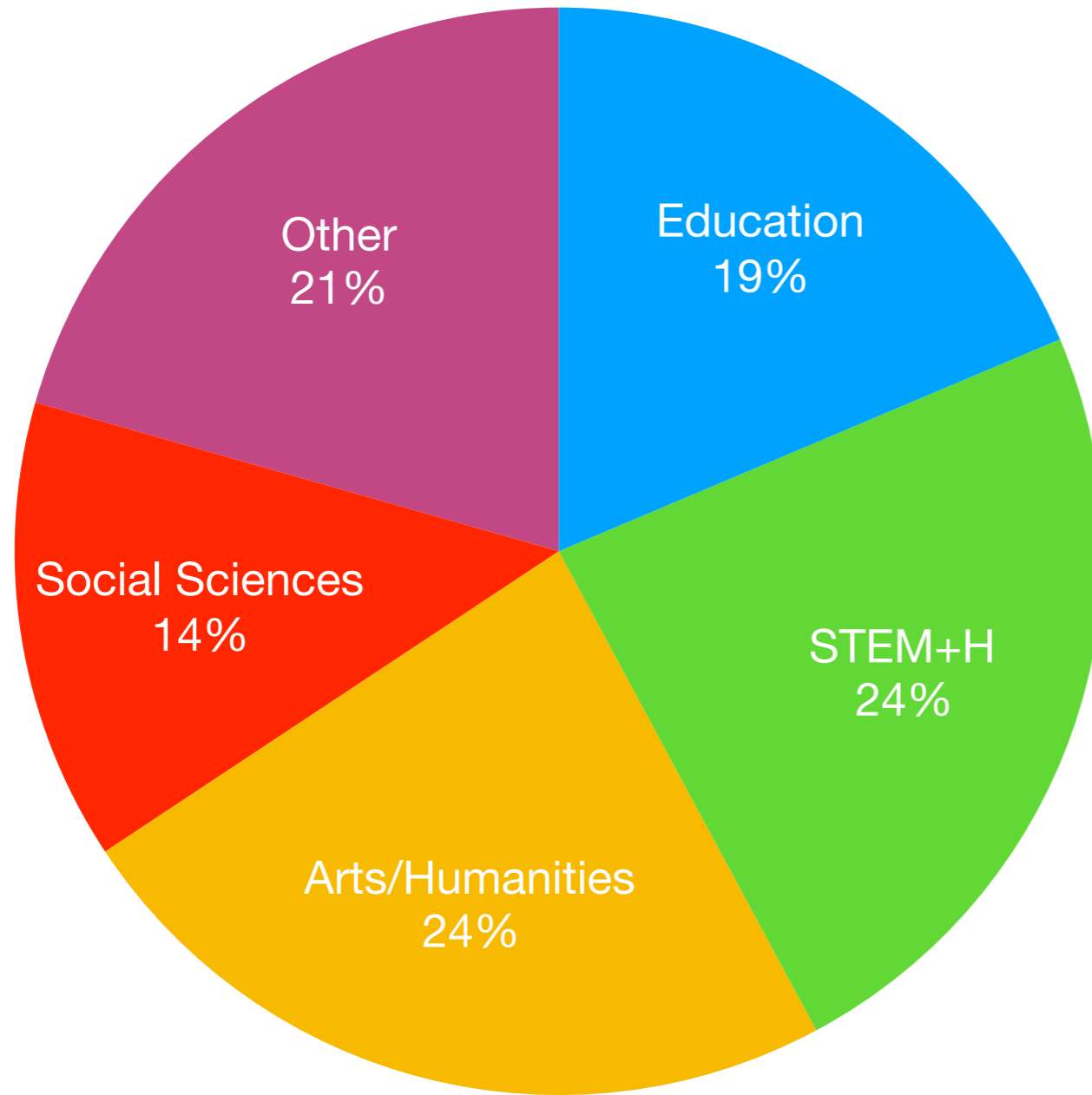
(as percentage of total programs assessed in that area)



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# Recommended cost reductions

33 programs identified for cost reductions; 4 recommended dropped



***(Recommend Reduce/Total n)***

- Education (7/17)
- Comp/Info Science (3/8)
- Music (4/11)
- Chemistry (2/8)
- Theater (2/8)
- Art/Art History (2/12)
- Classics (1/4)
- General Studies (1/4)
- Accounting (1/4)
- Philosophy (1/6)
- Economics (1/6)
- Earth/Gen. Science (1/6)
- Social Work (1/7)
- Political Science (1/7)
- Physics (1/7)
- Biology (1/9)
- Nursing (1/9)
- Psychology (1/10)
- Religion (1/11)
- Business (1/15)



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# Questions?

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