Innovation and the Independent College

EXAM P L E S FROM THE SECTOR

EXPLORE INNOVATION OPPORTUNITIES IN:

1. Athletics
2. Career Connections
3. Community Engagement
4. Consortial Arrangements
5. Cost Containment
6. Curricular Reform
7. New Academic Programs
8. New Student Populations

A REPORT BY

THE COUNCIL OF INDEPENDENT COLLEGES

Read the full report at www.cic.edu/InnovationsReport.
The signature activity of the Council of Independent Colleges’ initiative, Securing America’s Future, was a series of eight workshops hosted by CIC member presidents on campuses across the nation in 2016–2017. The goals of these workshops were to help member colleges and universities prepare for the future more effectively and become more engaged in promoting the value of the liberal arts and of independent colleges and universities. These gatherings brought together teams of presidents, chief academic officers, other administrators, and faculty leaders to explore key trends in higher education and society, the pressures that individual colleges and universities face, and potential solutions that can be pursued by their institutions. Approximately 500 campus leaders from more than 120 CIC member institutions participated in the workshops.

This module is part of a larger report, Innovation and the Independent College: Examples from the Sector. As a whole, the report presents an overview of the major points of discussion held during the workshops and references hundreds of examples of mission-driven innovations shared by the colleges and universities that sent teams to the workshops. Each module of the report is designed to be useful on its own, however, as a description of innovations in a particular area. I encourage you to distribute this module to trustees, faculty and administrative leaders, campus planning committees, and other constituents who might be aided in their efforts to lead change on campus—and then share the rest of the report. The full report and the other modules are available from the CIC website at www.cic.edu/InnovationsReport.

CIC staff members and I are well aware that many additional CIC institutions are improving the quality and efficacy of education in imaginative ways. I encourage CIC institutions to send these innovations to http://bit.ly/CICinnovates. These examples will be added to the online version of the report so that others may learn about these promising projects, too.

Richard Ekman
President
Council of Independent Colleges
March 2018
As colleges and universities strive to offer the best educational experience to their students, only two paths are possible: increase resources and/or contain costs.

Across higher education, budgets are tight—and economic forecasts make it unlikely that this situation will improve in the near term. To increase resources, independent institutions rely on four main sources of revenue: donor and alumni support, research funding, state and federal financial aid, and tuition income. A small percentage also rely on endowment earnings. Again, none of these streams is particularly robust or expected to grow in today’s economy. Diversifying revenue streams is possible through new programs and partnerships, and a number of institutions have been especially creative in developing such initiatives, as described elsewhere in this report.

To balance budgets and provide for future stability, however, most institutions need to develop prudent cost-cutting or cost-containment measures in addition to seeking revenue growth. These may range from relatively straightforward shifts—such as consolidating purchases from a single vendor—to comprehensive, college-wide efforts to analyze costs and determine how they can be trimmed systematically in ways that do not impair mission.

CHALLENGES: Exploring creative ways to contain or lower costs can enable institutions to meet the challenges of providing a high-quality educational experience in a sustainable way.
Nearly every institution of higher education is addressing the need to lower costs without sacrificing quality in a time of budgetary constraints. Most of the following examples were provided by CIC member institutions and the expert presenters who participated in Securing America’s Future workshops in 2016–2017. They represent distinctive but adaptable responses to common challenges facing independent colleges and universities.

**INCREASING PURCHASING POWER**

Joining with other colleges or universities in consortial arrangements may offer many advantages, including lowering institutional costs by increasing volume and, thereby, purchasing power.

The Five Colleges of Ohio (the College of Wooster, Denison University, Kenyon College, Oberlin College, and Ohio Wesleyan University) began as an effort to avoid redundant library costs. Faced with the potential costs of constructing additional facilities to house expanding collections, these colleges, clustered relatively closely together, collaborated on a unified collection and catalogue. Over time, the libraries increasingly consolidated their back-office functions and even shared several staff positions. More recently, the colleges have extended their collaboration beyond library functions, for example, by jointly hiring a procurement director, which makes possible shared purchasing. As well, a number of risk management and compliance functions have been shared, such as auditing, emergency preparedness, environmental health and safety, and Title IX compliance.

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* The Five Colleges, www.ohio5.org

Information technology can offer another opportunity for colleges to lower costs through collaboration. The University of Charleston joined with seven other colleges in West Virginia, Virginia, North Carolina, and Tennessee to form the Independent College Enterprise. Working with the Ellucian software company, the colleges share hardware, software, and technical personnel—although each college has exclusive access to its own data. Forming the consortium took time and effort, requiring the support of presidents, vice presidents, and program heads. The results, however, have been satisfying. Initially, the participating institutions saved $1 million, and they have saved hundreds of thousands of dollars in each succeeding year.

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* Independent College Enterprise, www.iceschools.org
Hilbert College, together with several other colleges in western New York, formed a health and benefits trust, a group-purchasing consortium that became the largest purchaser of health care in the region. Membership has shifted over time (currently including four colleges and one charter school), but consortium members have been able to retain robust health care plans and realize cost containment. During a period of significant hikes in health care costs between 2009 and 2016, trust members experienced no increase in premiums and no significant change in benefits.

Consolidation and its concomitant savings can even be accomplished within a single institution. St. Lawrence University, in Canton, New York, for example, persuaded all the athletic coaches to use the same vendor for uniforms and reduced costs in this area significantly.

INNOVATIVE MANAGEMENT STRATEGIES

Augustana College in Rock Island, Illinois, worked with a consultant from a local hospital to create a LEAN management team. LEAN is a continuous improvement method that directly involves the people who do the work rather than being managed from the top down. The objective is to create more value for customers with fewer resources, for example, by examining work processes to identify opportunities to streamline operations. Augustana analyzed 25 different processes, from the admissions process to internal mail delivery to gift processing, and identified almost $200,000 in potential savings. In addition, the college established the Augustana Future Initiatives Taskforce, engaging all employees in looking for cost-savings as well as revenue-generating ideas. The task force identified more than 50 possible initiatives that the college is exploring systematically for feasibility.

FINANCIAL AND ENVIRONMENTAL SUSTAINABILITY

Efforts to foster environmental sustainability often go hand-in-hand with achieving cost reductions. One area of considerable attention
on college campuses has been food waste—costly both for the environment and a college’s bottom line. Researchers at American University found that 75 percent of colleges and universities have now eliminated trays in their dining halls in an effort to decrease the waste of food. CIC member institutions that have helped pioneer this movement include Moravian College in Pennsylvania and Augustana College. Proponents argue that trayless dining’s multiple benefits include reduced use of water and energy as well as reduction in both food waste and weight gains because students are more selective about what they will consume.

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• Augustana’s Food Service Innovation, http://bit.ly/2Eo63Lf

The problem of food waste also has been highlighted by awareness campaigns on several campuses. The University of Puget Sound in Tacoma, Washington, has made “sustainable dining” part of its mission, using a food waste reduction system called “LeanPath.” Since November 2016, the university has eliminated almost 11,000 pounds of food waste, a reduction of 28 percent. While this is good news for the environment, it also makes good financial sense. A number of CIC colleges also participate in initiatives such as the Campus Kitchens Project and the Food Recovery Network, which divert food that otherwise would be wasted to community partners and the elderly.

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Similarly, good financial stewardship and student interest in environmentalism find common ground in campus initiatives to monitor and reduce consumption of power and water. Campaigns to replace incandescent light bulbs with low-energy alternatives, to post stickers encouraging energy awareness, and to install low-flush toilets and low-flow shower heads are widespread. Oberlin College in Oberlin, Ohio, has been particularly active in this movement. The college holds an annual “Ecolympics,” a competition to achieve the largest reduction in energy use. While individual savings from sustainability initiatives may be small, over time these altered practices can make a substantial difference in institutional budgets.

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Beyond encouraging changes in individual behavior, such as switching off lights, lowering thermostats, or limiting shower time, some colleges and universities are making institution-wide adjustments in energy usage—aiming to be both environmentally friendly and fiscally prudent. Some of these efforts require substantial up-front investment but with a business plan that offers a substantial return over time. When the College of Wooster in Wooster, Ohio, constructed its new athletics facility, for example, it included the largest solar roof of any college facility in the country. The institution also entered into a ten-year contract to help reduce its carbon footprint, which is expected to yield $5.6 million over the life of the contract.

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Kenyon College in Gambier, Ohio, has embarked on a long-term carbon-reduction plan, too. The project includes campus-wide lighting, heating-system, and water-use improvements, and automated residence-hall room controls. The goal is to trim 10,785 metric tons of carbon dioxide a year from the college’s energy use—and to recoup the initial $7 million investment, then reap the savings. Kenyon is already ahead on both goals.

INSTITUTION-WIDE ANALYSIS OF PROGRAM DELIVERY COSTS

Although it is not unusual in the business sector to employ “zero-based budgeting,” the practice is rarely found in academia, where annual budgets tend to be constructed incrementally. That is, each year’s institutional budget typically serves as the starting point for the next year’s budget, with relatively minor adjustments—up or, less frequently, down—to the individual line items. This may be an appropriate approach, given that so many of an educational institution’s activities are non-discretionary, core functions. Yet this fundamentally conservative budgetary process can mean that programmatic costs at the granular level (for example, per course, per student, per credit hour) are examined infrequently.

McDaniel College in Westminster, Maryland, undertook a thorough analysis of costs for its distinctive “McDaniel Plan” curriculum. The goal was to “determine the costs of each McDaniel Plan component and recommend cost-saving measures, while maintaining high quality in the general education curriculum.”
A cross-campus strategic thinking group analyzed 70 data sets of information about enrollments, instructional quality, and future planning strategies. Faculty members received comparative data from peer institutions and were polled about their preferences for next steps. Ultimately, two standing committees of the faculty brought forward a plan that resulted in savings of $350,000 in the undergraduate curriculum. The analysis and savings realized enabled the college to decrease reliance on adjunct faculty and to invest in a deeper commitment to the McDaniel Plan curriculum, delivered by full-time faculty.

Alma College in Alma, Michigan, adopted a similar strategy of cost analysis and reinvestment. According to Ann Hall, vice president for planning and communication, last year the college formed a Strategic Allocations Task Force to identify budget dollars that could be reallocated into academic programs, and this year a new committee, the Strategic Investments Review Team, has been evaluating proposals submitted by the campus to invest those funds into new or enhanced academic programs.

Young Harris College in Young Harris, Georgia, also undertook an Academic Effectiveness and Efficiency Study, working with a campus-wide team. The goal is to invest savings identified through efficiency studies into faculty and staff development.

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* Young Harris Strategic Plan, http://bit.ly/2GTceFu

St. Bonaventure University in Allegany, New York, created an Operations Effectiveness Task Force and developed a framework for the sound and consistent analysis of the cost of each university unit and developed and implemented a data-driven process for determining the financial sustainability of every university operation including a thorough evaluation in terms of expenditures and return on investment.

OTHER IDEAS AND ADVICE

For a research report commissioned by CIC, Mission-Driven Innovation: An Empirical Study of Adaptation and Change among Independent Colleges (2015), authors James C. Hearn and Jarrett B. Warshaw found that 100 percent of the 206 presidents who responded to their survey instrument reported pursuing some form of cost containment and reduction as well as revenue diversification and enhancement. The most commonly reported cost
reduction measures included: leaving open positions unfilled or reducing staff, freezing salaries, and re-structuring or closing programs. They also found that campuses with multiple and simultaneous innovations met with the greatest success in getting them adopted.

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• CIC Research Report, www.cic.edu/SecuringResources

In his presentations at the Securing America’s Future workshops, however, Christopher Morphew, formerly of the University of Iowa and now dean of the Johns Hopkins University School of Education, underlined the challenges of reducing staff size in independent colleges given the labor-intensive activities of teaching, mentoring, and preparation for citizenship that lie at the heart of these colleges’ missions. The examples provided above illustrate that colleges can take many other measures—perhaps more creative measures—to contain costs while maintaining quality.

QUESTIONS TO EXPLORE
• Have “front line” staff members had an opportunity to suggest improvements in the process and determination of areas for cost-cutting?

• Are data available that clarify the costs of delivering individual courses or academic programs?

• Does the institution routinely benchmark its costs against similar institutions? Are discrepancies a reflection of the institution’s distinctive mission—or simply a matter of inertia and status quo?

• Would students be interested in streamlining or reducing some amenities, if those measures would be reflected in reduced tuition? Would such a process be feasible?

• Has the institution developed a process for prioritizing programs (both academic and non-academic), based not only on cost, but on centrality to the mission as well?
ABOUT THE WORKSHOPS

CIC’s *Securing America’s Future: Workshops for Leaders of Independent Colleges and Universities* marked the final phase of an effort that included two earlier initiatives. The first initiative was *Securing America’s Future: The Power of Liberal Arts Education*, a public information campaign to highlight the effectiveness of study in the liberal arts and the contributions of the independent higher education sector. The second was a *Project on the Future of Independent Higher Education*, which brought together a steering committee of 22 CIC presidents to consider the challenges faced by the entire sector and fresh approaches for the future, in light of the particular qualities and missions of independent colleges and universities.

After two years of fact-finding and deliberation, the steering committee of the *Project on the Future* specifically called for a series of workshops around the country, viewing this step as “the most effective mobilization strategy.” The activities in 2016–2017 closely followed the plan the steering committee envisioned. This report draws upon both the formal presentations and informal exchanges that took place during the *Securing America’s Future* workshops.

CIC would like to thank the representatives of more than 120 colleges and universities who participated in the *Securing America’s Future* workshops. They provided most of the examples of innovation included in this report, through their comments at the workshops or in subsequent evaluation surveys. Whenever possible, all innovations have been independently confirmed using public sources. Any misstatements of fact or inadvertent mischaracterizations are the responsibility of CIC.

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ABOUT CIC

The *Council of Independent Colleges* (CIC) is an association of 767 nonprofit independent colleges and universities, state-based councils of independent colleges, and other higher education affiliates, that works to support college and university leadership, advance institutional excellence, and enhance public understanding of independent higher education’s contributions to society. CIC is the major national organization that focuses on services to leaders of independent colleges and universities and state-based councils. CIC offers conferences, seminars, publications, and other programs and services that help institutions improve educational quality, administrative and financial performance, student outcomes, and institutional visibility. It conducts the largest annual conferences of college and university presidents and of chief academic officers. Founded in 1956, CIC is headquartered at One Dupont Circle in Washington, DC. For more information, visit www.cic.edu.

REPORT AUTHORS

Barbara Hetrick, Senior Advisor, CIC; Philip M. Katz, Director of Projects, CIC; and S. Georgia Nugent, Senior Fellow, CIC, and President Emerita, Kenyon College
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