

**Expenditure Review Committee
Report**

Spring 2011



INDIANA UNIVERSITY

Expenditure Review Committee Report

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TABLE OF CONTENTS

Executive Summary.....	2
Introduction.....	4
The Charge.....	6
The Committee.....	6
Considerations.....	8
Three Areas of Review.....	9
Committee Processes.....	11
Strategies and Options – Committee Consensus.....	13
Recommendations.....	15
Concluding Note.....	22

Executive Summary

The Expenditure Review Committee (ERC) was charged by Indiana University President Michael McRobbie to explore potential improvements in efficiency and elimination of unnecessary duplication at IU Regional campuses. In particular, it was asked to review these areas: (1) Consolidation of similar services that exist on multiple campuses, especially in back-office operations, (2) Opportunities for shared services and partnerships, and (3) Activities that are underperforming or have outlived their usefulness. With the creation of the IU regional campus Blueprint for Student Attainment (BSA) process, the ERC took on an additional role, and the BSA Affordability and Efficiency Priority Action Team became core members of the ERC. Some recommendations of the ERC will also appear in the BSA report.

Following a brainstorming exercise, with considerable discussion, and two ranking exercises, with additional discussion, the ERC identified a set of cost savings and efficiency strategies and options that may deserve further consideration. The committee decided that the process of evaluating each strategy/option needed at least two stages. During the first stage, the one reported on in this document, the strategies and options were identified and ranked with respect to their perceived potential for cost-savings or enhanced efficiency. A next stage would be to conduct detailed analyses of those strategies and options that are deemed most feasible for their potential benefits and risks.

After the ERC was formed, Indiana University announced the creation of an IU-wide Cost Benchmarking Project. This project has engaged an external firm to evaluate IU's practices with respect to back-office operations relative to best practices at peer institutions. In anticipation that the results of this project would inform possible consolidations across the regional campuses, the committee chose to spend most of its time on the other two categories of strategy. However, it did include evaluation of these

back-office operations in its rating exercises. The Committee acknowledges that information technology solutions exist that can facilitate consolidation of some back-office operations, as long as appropriate controls and lines of accountability are established so that necessary services to the regional campuses are not sacrificed.

Recommendations include a list of strategies and options with the potential for cost savings and efficiency. The list was ordered, within the three broad areas, by ranking the strategies/options with respect to committee members' perceptions of which have the greatest potential for realizing cost savings or other efficiencies. The next step could be for the senior leadership of IU to decide which of the strategies/options they would like to pursue further and to identify the appropriate technical people to collect data, perform financial analyses, and identify obstacles to implementation.

Introduction

The regional campuses of Indiana University and Purdue University were created to provide access to Indiana residents who wished to continue their education after receiving a high school diploma or GED, but who could not for a variety of reasons attend existing public higher education institutions. These reasons included and still include: academic/test performance, financial hardship, family obligations, work location and schedule, need for small classes/special attention, among others.

With the creation of Ivy Tech Community College of Indiana in 2005, the missions of the regional campuses changed drastically. Prior to ITCCI, the regional campuses could essentially admit any student who had a diploma or GED, and then work with those students on remedial skill development. Students could opt for associate degrees where it made sense for them to do so. The remedial education and associate degree mission now belongs to the Community College.

By 2005, the regional campuses had added a full range of bachelor's degrees and selected master's degrees to their degree menu, recognizing that there was a need for local options for many students for these advanced degrees. With the removal of remedial coursework and associate degrees, the campuses had to become selective in admissions while still remaining access institutions.

The regional campuses can play an important (perhaps the most critical) role in addressing within Indiana the national initiative to raise the percentage of the U.S. population that has earned a higher education degree. Indiana is currently 39th out of 50 states with respect to higher education degree attainment. The Lumina Foundation has set a goal of 60% degree attainment by the year 2025 to minimally meet the growing shortage of college-educated workers in the U.S. The Indiana Commission for Higher Education has set a goal for Indiana of 10,000 additional degrees awarded per year by

2025. The regional campuses have the room to grow if adequately supported and are therefore essential to any plan for Indiana to achieve the national as well as its own goal.

The resources from the state in the form of state appropriations, traditionally expected by public institutions in order to meet their missions, are not likely to materialize in even close to the same amounts for the foreseeable future. In addition, the pressure to keep tuition rates from climbing to make up the difference will continue, perhaps even intensify. Any alternative source of resources must come from increased operational efficiencies, decreased labor costs, collaborations that take advantage of distributed strengths, restructuring of administrative functions (particularly back-office functions), or totally new approaches to the delivery of higher education. While external funding will be helpful, it will not come close to providing the resources necessary to increase the number of graduates in the amounts needed, reduce their time to graduation, and insure the continuing quality of their degrees.

In addition to considering ways in which the regional campuses can make improvements in their current operations and collaborate better on some of those improvements, the IU Regional Campus Blueprint for Student Attainment committees were also charged to consider fundamental change in how we think about higher education in this country, its structure and delivery. As those committees deliberated on such far-reaching alternatives, the Expenditure Review Committee had to consider innovative approaches to cost-cutting and efficiency that might help fund them. While the regional campuses are currently financially autonomous and maintain their own accreditations, meeting the challenge of their new role may require considering the possibility of entirely new structures across all the regional campuses, both IU and PU.

The regional campuses need to advocate for their role in student attainment in Indiana if they are to remain viable. Being united in resolve and message will provide a stronger

position from which to make the case for that role. The intent of the Blueprint for Student Attainment initiative has been to create a foundation on which greater unity can be realized, whether through collaboration, integration or simply the sharing of information. The more that the regional campuses are on the same page, the stronger will be their mutual position. The role of the Expenditure Review Committee has been to evaluate strategies for funding that foundation and hence increasing substantially student attainment at the regional campuses with minimal new resources.

The Charge

The charge to the Regional Campus Expenditure Review Committee came from President Michael McRobbie. To ensure utilization of state appropriations and tuition as efficiently and effectively as possible, the committee was asked to explore potential improvements in efficiency and elimination of unnecessary duplication. In particular, it was asked to review these areas: (1) Consolidation of similar services that exist on multiple campuses, especially in back-office operations, (2) Opportunities for shared services and partnerships, and (3) Activities that are underperforming or have outlived their usefulness.

In developing its recommendations, the ERC was encouraged to envision, consider, and where justified recommend bold, fundamental measures and pervasive change.

The Committee

To increase the range and depth of its review, the ERC was integrated into the Blueprint for Student Attainment (BSA) process initiated by the Vice President for University Regional Affairs, Policy and Planning (VPURAPP). The core membership of the ERC turned out to be the Affordability and Efficiency priority action team. In addition, a member of each other priority action team was designated as liaison to the ERC to

provide input about opportunities to enhance efficiencies and collaboration within their areas of concern. Hence, while the ERC was commissioned and charged by President McRobbie, some of its recommendations will also appear in the BSA report. Laurie Antolovic' provided support for the ERC, working at the direction of the chair of the ERC and in coordination with OVPURAPP.

The Expenditure Review Committee was chaired by IU East Chancellor, Nasser Paydar. Other members included: Laurie Antolovic', Deputy Chief Information Officer, Office of the Vice President for Information Technology; Donald Coffin, Associate Professor, School of Business and Economics, IU Northwest; Louise Collins, Associate Professor of Philosophy, IU South Bend; Dan Dooley, Vice Chancellor for Administration and Finance, IU East; Karen Gallatin, Associate Director of Financial Aid, IU Kokomo; Marianne Milich, Chief Financial Officer, IU Northwest; Bill O'Donnell, Vice Chancellor for Administrative and Fiscal Affairs, IU South Bend; Janet C. Papiernik, Associate Professor of Accounting, IPFW; Steve Sarratore, Associate Vice Chancellor for Academic Affairs, IPFW; Cathy Shea, Professor of Education, IU Southeast; John Stager, Assistant Professor of Business and Informatics, IU East; Linda Wallace, Dean, IU Kokomo School of Nursing; Dana Wavle, Vice Chancellor for Administrative Affairs, IU Southeast. Other liaisons and consultants: Judith G. Palmer, BSA Project Leader; James Kennedy, Associate Vice President for Student Enrollment Services; Stephen L. Keucher, Associate Vice President & University Budget Office Director; David Malik, Executive Vice Chancellor, IU Northwest; Kathleen McNeely, Associate Vice President of Finance & Executive Director of Financial Management Service; Larry Richards, Executive Vice Chancellor, IU East; Fran Squires, Associate Professor of Education, IU Southeast; Stacey Thomas, Registrar, IU Kokomo; David Vollrath, Professor of Management, IU South Bend. Providing staff support were Lisa Wallace, Jeff Weber and Marcia Justus.

Considerations

The IU regional campuses represent approximately a third of all IU headcount enrollments. High school students are increasingly making the regional campuses their first choice for continuing their education. This group is younger and more full-time, helping to increase the number of bachelor's degrees awarded and reducing the average time to graduation.

Approximately eighty percent of regional campus alumni stay in the region. In addition, the regional campuses contribute to their communities in many ways that more traditional campuses do not, representing a substantial and unique economic footprint that is critical to the development of their regions.

The range of preparedness of the students attending regional campuses is much broader than that of more traditional campuses. Many regional campus students are still part-time, with 55% first-generation students, 58% caring for dependents, and 35% working more than 20 hours per week.

Although increasing, the six-year graduation rate (full-time freshmen who graduate within six years) of regional campuses is still low by national standards, reflecting the unique commuter and demographic history of these campuses.

Currently, there are substantial differences in the demographics and resources among the regional campuses, making their individual roles quite distinct within their regions. Taking the strengths of each regional campus and spreading them out over all of them as an integrated unit could create synergies that are in the interest of overall student

attainment within IU and the state. This would require treating individual campus strengths as mutual resources, rather than as competitive advantages.

It has been a premise of this committee that its recommendations, and those of all the priority action teams, should support the further collaboration with and development of Indiana's community college system. With the change of missions for the regional campuses of both IU and Purdue, the future success of higher education in Indiana depends on a strong and constructive partnership with Ivy Tech Community College.

Three Areas of Review

In accordance with the charge, the Expenditure Review Committee used three categories of strategy to organize its efforts.

1. Back-Office Operations for Possible Consolidation:

After the ERC was formed, Indiana University announced the creation of an IU-wide Cost Benchmarking Project. This project has engaged an external firm to evaluate IU's practices with respect to back-office operations relative to best practices at peer institutions. The back-office operations to be studied were student services (registrar, including support for academic advising, financial aid, bursar and admissions), marketing, payroll and human resources. In anticipation that the results of this project would inform possible consolidations across the regional campuses, the committee chose to spend most of its time on the other two categories of strategy. However, it did include evaluation of these back-office operations in its rating exercises, and some results are shown later in the report. Everyone acknowledges that information technology solutions exist that can facilitate consolidation of some back-office operations. The question is: Where and when do these solutions result in real savings that can be reinvested in student attainment initiatives?

2. Shared Services and Academic Partnerships:

It is recognized that sharing certain services across the regional campuses, when feasible, and developing partnerships that take advantage of the unique academic strengths of each campus, where they exist, could create synergies that could have positive results on the set of regional campuses as a whole. The challenge is in identifying which ones make sense from both an outcomes and an implementation point of view; sometimes the expense of implementation can exceed the value of improved outcomes. Four groupings of strategies emerged: (1) joint program development, (2) shared resources across all campuses, (3) partnerships with Ivy Tech Community College, and (4) restructuring of regional campuses. Sharing services, managing partnerships and creating collaborations in general present administrative challenges, particularly when the people involved are geographically dispersed. When the services, programs or initiatives are significant or involve substantial resources, control and accountability must lie somewhere. The last grouping, restructuring of regional campuses, was intended to address that challenge.

3. Elimination of Activities that are Underperforming or have Outlived their Usefulness:

Strategies in this category were not limited to cutting activities; they also address activities currently being conducted in a way that needs to be reconsidered. Very often, activities persist or continue to be conducted as they always have simply as a result of inertia; no one even thinks that an alternative might be possible until it is brought to their attention by something like this committee, and even then the alternatives can be questioned: why disrupt something that is running smoothly? These strategies also resulted in four groupings: (1) academic programs and calendars, (2) non-academic programs, (3) fee structures, and (4) budgeting models. It became apparent that there may be real potential in standardizing certain practices

across the regional campuses that are now not standard, including curricula, calendars, tuition and fee structures, and approaches to incentive-based budgeting.

Intercollegiate athletics was also discussed in this category, but studies have shown that the benefits of athletics both to the student-athletes and the campus far exceed the costs, as long as the campus is careful about which sports it selects and which associations/conferences it joins. At some campuses, the tuition revenue alone brought in by students who choose to attend because they want athletic options exceeds the expenses. The decision was to leave this as an individual campus issue.

Committee Processes

The Expenditure Review Committee met with the Affordability and Efficiency priority action team via videoconference five times throughout the fall 2010, and once during January 2011. Meetings were divided between the work of the Affordability and Efficiency priority action team and the ERC, with all members attending both. The Affordability and Efficiency team will be preparing a separate report focusing primarily on affordability issues as part of the Blueprint for Student Attainment effort.

The ERC committee processes included the following:

- A brainstorming exercise where all members were tasked to submit ideas for strategies in the three categories,
- Discussion of the strategies in order to eliminate, consolidate or add more strategies,
- Grouping strategies to facilitate a ranking exercise,
- Individual weightings (and rankings) of the strategies with respect to their potential for improving the financial situation of individual campuses or the set of regional campuses as a whole,

- Discussion of the weightings, resulting in a revised list of strategies,
- A second ranking exercise, with follow-up discussion, and
- Preparation of a final report.

When it is desired to have recommendations that include a ranking or weighting of alternatives, some facilitation of the process is necessary. This was conducted smoothly and without complaint. We think the results reported next are as indicative as is possible of the perceptions of the committee members with respect to the potential of the various strategies for managing expenditures to enhance student attainment.

Strategies and Options – Committee Consensus

In Tables 1 through 3, we summarize strategies and options with greatest potential for savings. The committee’s average rankings of the strategies, on a scale of 0 – 10, are also listed in these tables. Higher ranking indicates more cost savings potential.

Table 1: Back-office operations for possible consolidation

<i>Strategies</i>	<i>Priority Ranking</i>
Financial Aid	6.5
Registrar, including support for Academic Advising	6.2
Bursar	6.2
Marketing	5.8
Payroll	5.7
Human Resources	5.4
Admissions	5.4

Table 2: Shared services and academic partnerships

<i>Strategies</i>	<i>Priority Ranking</i>
Investigate the possibility of sharing library resources and access across all campuses	8.5
Consider adoption of an IU-wide online education strategy that promotes delivery of degree programs by all campuses and encourages partnerships among all regional campuses	7.7
Foster creation of partnerships with Ivy Tech Community College to increase student transfer to the regional campuses, as well as facilitating other arrangements as applicable locally	7.2
Develop a process to foster creation of joint academic programs (e.g., IU East and IU Kokomo MSN degrees)	6.5
Create an inventory of all major sharable equipment at all campuses	5.3
Study the advantages/disadvantages of consolidating all schools across all regional campuses	5.2
Conduct a feasibility study of splitting IU into two entities/universities – the core campuses (IUB and IUPUI) and the regional campuses with separate names and governing bodies that purchase services from the major state universities	4.8
Use experts on all campuses by delivering special lectures and talks online	4.0

Table 3: Elimination of activities that are underperforming or have outlived their usefulness

<i>Strategies</i>	<i>Priority Ranking</i>
Restructure academic year (option for flexible start and end dates for online courses, # of semesters in a year, etc.), and increase use of facilities and course offerings on Fridays and/or weekends	7.8
Create a systematic review of non-academic offices	7.4
Conduct systematic review of low enrolling (graduating) programs	7.4
Consider shifting budgets of all campuses to an internal RCM model	5.3
Allow variable (reduction in) tuition rate in special accelerated programs at the upper years (or all years, if a student stays on track) to increase retention and graduation rates; and/or offer a guaranteed tuition for four years to encourage on-time graduation	4.9
Consider flat fee model for regional campuses for 15 credit hours or more	4.1

The committee felt it important to emphasize that these rankings are based on the perceptions of the committee members, not on any data with respect to their financial impact on the campuses. Some committee members indicated a higher comfort level than others with their individual judgments. In any case, everyone recognized that a next stage would have to involve detailed cost/benefit analyses of those strategies and options. The tables above are intended to provide some guidance on which strategies and options to select for such analysis first. An exploration of potential unexpected consequences from adoption of any strategy should be a part of the analysis.

Recommendations

Among many strategies considered by the committee, the following are strategies that might improve the financial situation of the regional campuses and therefore contribute to initiatives for enhancing student attainment. The following is a summary of 21 strategies that the committee agreed upon:

I. Back-office operations for possible consolidation

Specific recommendations in the area of back-office operations for possible consolidation should be coming from the IU Cost Benchmarking Project. For now, the committee offers:

Student Services:

- 1. Financial Aid** – The Financial Aid function has become extremely complicated with federal regulations and compliance reporting requirements that take substantial human effort to address. However, the processing of financial aid and scholarships has been facilitated by information technology, and the question is: Has the potential for automation of financial aid processing been realized in a way that might allow the consolidation of back-office operations?
- 2. Registrar, including support for Academic Advising** – The Registrar function provides critical information on students that both students and academic advisors need to know. Information technology has allowed much of this record-keeping to be automated and that can facilitate consolidation of the back-office operations. Substantial automation has already occurred. The question is: How much more can be accomplished without compromising student and academic advising needs?

3. **Bursar** – With an increasing reliance on online billing and payment options, reducing the size of the Bursar function, or consolidating it across all campuses, has become a real possibility. The question is: To what extent can the Bursar function be reduced and still maintain adequate controls and oversight?

4. **Admissions** – The Admissions function has always required a substantial amount of data processing. Despite the introduction of online applications, the demands on admissions officers to ensure customized management of prospects, applicants and matriculants continues to increase the requirement for human processing of potential student data. The questions are: Can some consolidation of back-office operations in Admissions be accomplished without compromising the need for customized management of this critical function? Can an integrated Constituent Management System help enable further efficiencies or improvement of admissions services? Can systems and processes be restructured to streamline the experience of applicants?

Marketing:

5. Consolidation of the Marketing function might make sense if the regional campuses were treated as one integrated institution. At present, they each have their own character and strengths, and their marketing materials reflect those differences. The questions are: If the regional campuses were to be more integrated in programs, demographics and characteristics, would consolidation of the Marketing function realize any significant cost savings? Regardless of the degree of integration of the regional campuses, could some of the Marketing function be structured as shared services?

Payroll:

6. The IU payroll is already centralized, with local people providing adjustments and employee service as necessary. The question is: Can the Payroll function be

consolidated across all regional campuses, with what is currently provided locally provided at a distance, without damaging employee service and confidence?

Human Resources:

7. Much of the Human Resources function in IU is also centralized. However, employee records are kept locally, recruiting processes are managed locally, and the many questions that arise concerning employee matters are addressed by HR professionals locally. The question is similar to that for the Payroll function: Can some of the personalized services provided locally be consolidated across the regional campuses without damaging employee confidence or increasing the risk of legal issues?

II. Shared services and academic partnerships

8. **Investigate the possibility of sharing library resources and access across all campuses:** With the cost of hard copies of books, journals, and other library materials rising so fast, access to electronic library resources has been most welcome. However, some of the electronic resources are also expensive, often because they have to be acquired as a part of a database of many resources, even if only a few are needed by a campus and for short periods of time. This raises the possibility of sharing these electronic resources across the regional campuses if the campuses were to be treated as one institution. It will be a challenge for the University to advocate for a global position: namely, that library access across all campuses is in the interests of the whole university. It is in the interests of publishers to provide incentives for each campus to act locally, and that is an obstacle that will need to be addressed.

- 9. Consider adoption of an IU-wide online education strategy that promotes delivery of degree programs by all campuses and encourages partnerships among all regional campuses:** Online delivery of college-level courses and programs has become a major trend in higher education nationally. With respect to the IU regional campuses, it offers the prospect of delivering joint programs that no single campus could provide on its own. Campuses that have specialty courses or programs, and the faculty to deliver them, could make those courses available to students at any campus. While ICN (Indiana College Network) provides a current mechanism to do that for courses, the prospect of collaborating on whole degree programs could put the regional campuses as a group into a very attractive competitive position, while providing students greater flexibility in ways to take courses and accelerate their time to degree completion. A technology support infrastructure to help faculty create and deliver online courses would enable reusable and reconfigurable modules; availability of these modules could significantly enhance the efficiency and reduce the cost of producing and delivering online materials. Such an approach will require clarification and resolution of the intellectual property issues involved.
- 10. Foster creation of partnerships with Ivy Tech Community College to increase student transfer to the regional campuses, as well as facilitating other arrangements as applicable locally:** The success of Ivy Tech Community College is essential for achieving the bachelor's degree goals that the Lumina Foundation and ICHE have set for Indiana. Yet, the number of students transferring to Indiana's four-year institutions with associate degrees is still extremely small. In addition to terminating all associate degrees and remedial courses, the IU regional campuses can also assist Ivy Tech through the development of special transfer programs, Ivy Tech scholarships and joint marketing efforts. This strategy is really oriented toward redirecting expenditures to help increase the transfer of Ivy Tech students to the regional campuses.

11. **Develop a process to foster creation of joint academic programs (e.g., IU East and IU Kokomo MSN degrees):** When one campus does not have the faculty resources to offer a complete program, yet there are students who want that program at that campus, two or more campuses might combine their resources to be able to offer a joint program at both campuses.
12. **Create an inventory of all major sharable equipment at all campuses:** Some programs, particularly in the sciences, may require equipment (like an electron microscope, for example) that can be more expensive than an individual campus can afford themselves. However, there may be students at that campus who want the program. One option that has been implemented through partnerships between a regional campus and IU Bloomington or IUPUI is to arrange for trips to the other campus to allow students to use the equipment there.
13. **Study the advantages/disadvantages of consolidating all schools across all regional campuses:** If strategy #14 turns out not to be feasible, perhaps a smaller version of consolidation that focuses on the academic structure of the regional campuses might be considered. If there was one set of academic schools representing the regional campuses, the ability to offer common curricula might be facilitated, and that would then facilitate the development of joint degree programs, both online and on-site.
14. **Conduct a feasibility study of splitting IU into two entities/universities - the core campuses (IUB and IUPUI) and the regional campuses with separate names and governing bodies that purchase services from the major state universities:** This strategy would be a bold and pervasive change. With the mandated change of mission of the regional campuses five years ago, perhaps it is time to review the structure of Indiana's public four-year institutions with an eye toward creating

synergies that could be directed toward the enhancement of student attainment. Current expenditures might be redirected toward such initiatives if restructuring could be accomplished in a way that would lead to greater efficiencies.

- 15. Use experts on all campuses by delivering special lectures and talks online:** The sharing of faculty across the regional campuses may be less expensive than paying for guest lecturers from other universities, given that the technology for supporting this already abounds on all campuses.

III. Elimination of activities that are underperforming or have outlived their usefulness

- 16. Restructure academic year (option for flexible start and end dates for online courses, # of semesters in a year, etc.), and increase use of facilities and course offerings on Fridays and/or weekends:** The primary focus of this strategy is to explore ways to create more flexibility for a wider variety of students to get the courses they need and complete their studies in as timely a manner as possible. It may also help accelerate student completion of degree requirements. In addition, the ability to offer joint programs across the campuses is facilitated by a common academic calendar, which currently does not exist.
- 17. Create a systematic review of non-academic offices:** This strategy is, of course, in the category of best practices, and should be conducted periodically at all campuses. The question is: Are there offices that could be substantially reduced in size and scope across all regional campuses without hindering important student services?
- 18. Conduct systematic review of low enrolling (graduating) programs:** Eliminating programs considered standard for comprehensive bachelor's degree institutions

may not result in much savings, as often those programs offer service courses that are needed to support other programs or general education, and so the faculty are needed anyway. However, closing non-traditional programs that remain low-enrolled could result in significant savings. In any case, the periodic review of low-enrolling programs is a best practice and should be conducted at all campuses.

19. Consider shifting budgets of all campuses to an internal RCM model:

Responsibility Centered Management (RCM), when correctly implemented, has the potential benefit of providing incentives for increased enrollments, student retention, and graduation rates, thus directing expenditures toward these student attainment goals.

20. Allow variable (reduction in) tuition rate in special accelerated programs at the upper years (or all years, if a student stays on track) to increase retention and graduation rates; and/or offer a guaranteed tuition for four years to encourage on-time graduation: Lowering tuition rates to provide incentives for students to remain on track and graduate on-time or early may be a way to increase overall student attainment, and the results may be worth the expense. However, there are no guarantees that students who start on these tracks will necessarily stay on them, so there is a “loss leader” aspect to this strategy.

21. Consider flat fee model for regional campuses for 15 credit hours or more: When IUB went to a flat fee model, they had to increase the “per credit hour” equivalent tuition to make up the difference in what was lost when students take more than 15 credit hours. However, it does encourage full-time students to take more credits per semester and perhaps to graduate earlier than they otherwise would. Robust advising would be needed to offset the risk of weaker students overloading their schedules.

Concluding Note

The committee's consensus rankings of the strategies and options that are listed in Tables 1 – 3 represent the outcome of serious thought and discussion. For matters like the ones the committee was asked to address, there are going to be differences of opinion on what makes most sense. It is virtually impossible for any one person to be able to fully assimilate the many factors that enter into the effectiveness of these strategies. Hence, all of the proposed strategies deserve further study, both to verify that they would actually lead to savings and not impact negatively other important functions/services and to evaluate best approaches to implementation. For those strategies that involve integration or consolidation across campuses, implementation must consider issues of managerial control and accountability.

Some of the strategies are aimed more at improving the financial situation of the regional campuses than realizing cost savings per se. However, anytime the financial situation of a campus improves, it makes more resources available that could be redirected toward student attainment goals. So, the ERC interpreted its charge to include evaluation of a broad range of strategies with potential financial implications.

The strategies that suggest major change in the administrative structure of the regional campuses are so bold and pervasive that they will require significant support from both IU's senior leadership and the state to be considered further. For these types of strategies, financial advantages are not the only consideration; political considerations must also be carefully weighed. The committee did not directly address political considerations, although they may be reflected to some extent in the consensus rankings. That is, when a strategy is perceived to involve overcoming significant obstacles before it could be implemented, it may get ranked lower for potential for cost savings or efficiency.

In summary, the committee thinks that the 21 strategies and options identified deserve further consideration, and offers the rankings in Tables 1 - 3 as a way to prioritize which ones might be considered first in each of the three areas explored. The next step in the process would be for the senior leadership of IU to decide which of the strategies/options they would like to pursue further and to identify the appropriate technical people to collect data, perform financial analyses, and identify obstacles to implementation.