

University of Toledo

November Deans' Discussion



Agenda

	Estimated Timeframe
Opening Remarks and Goals of the Discussion	2:00 – 2:10
Budget Model Implementation (40 minutes)	
Governance / Policy Updates / Budget Development	2:10 – 2:35
Budget Q&A	2:35 – 2:50
Financial Opportunity Assessment (70 minutes)	
Academic Opportunities (4) Business Case Discussion/Q&A	2:50 – 3:40
Break	3:40 – 3:55
Additional (4) Business Cases - Overview & Roadmap	3:55 – 4:15
Additional Question and Answer Period (45 minutes)	
Leadership Remarks	4:15 – 4:20
General Questions and Discussion	4:20 – 4:55
Concluding Thoughts and Path Forward	4:55 – 5:00

Engagement Overview

Huron continues to partner with the University of Toledo through several concurrent, transformative engagements.

Initiative	Fall 2020	Winter 2021	Spring 2021	Summer 2021	Fall 2021	Winter 2022	Spring 2022	Summer 2022
Budget Model Design	[Dark Blue Bar]							★ <i>Budget Model Go-Live</i>
Academic Portfolio Review		[Light Blue Bar]						
Financial Opportunity Assessment				[Light Blue Bar]				
Executive Advisory Support				[Yellow Bar]				

Today

Tackling each initiative at-once has strained institutional capacity but has allowed the University and its leaders to more fully understand holistic current state operations.





2

Budget Model Infrastructure Development Update



Budget Model Development – Executive Summary

The University continues to make sustained progress towards implementing the new incentive-based budget model. The table below provides updates related to the budget model’s infrastructure development.

Action Item	Current State	Next Steps
 <p>Model Coaching</p>	Huron with the support of Tim Boosigner continue to offer on-going, ad-hoc coaching as it relates to model questions and concerns	Continue to provide advisory engagement from Tim Boosigner with the support of the Huron team to support Deans and the broader University
 <p>Model Policies</p>	Previously discussed policies have been drafted and are currently going through the Policy Review Process	Submit refined policies for President’s office review with the intent of implementing all new policies for FY23
 <p>Model Governance</p>	4 new governance committees will be charged to assist in ongoing model development in early Spring 2022	Send out invites to selected committee members and publish that membership to broader campus; launch committees in the 2022 Spring Semester
 <p>Model Development</p>	The Provost and CFO offices are working with Huron to ensure UT has the proper infrastructure set up to maintain and manage the incentive-based model	Begin FY23 Model Development

Budget Model Development Timeline

The University has been in the process of transitioning its budget model for over a year. The iterative process will continue to allow UT leadership to more fully understand the implications of a new model.

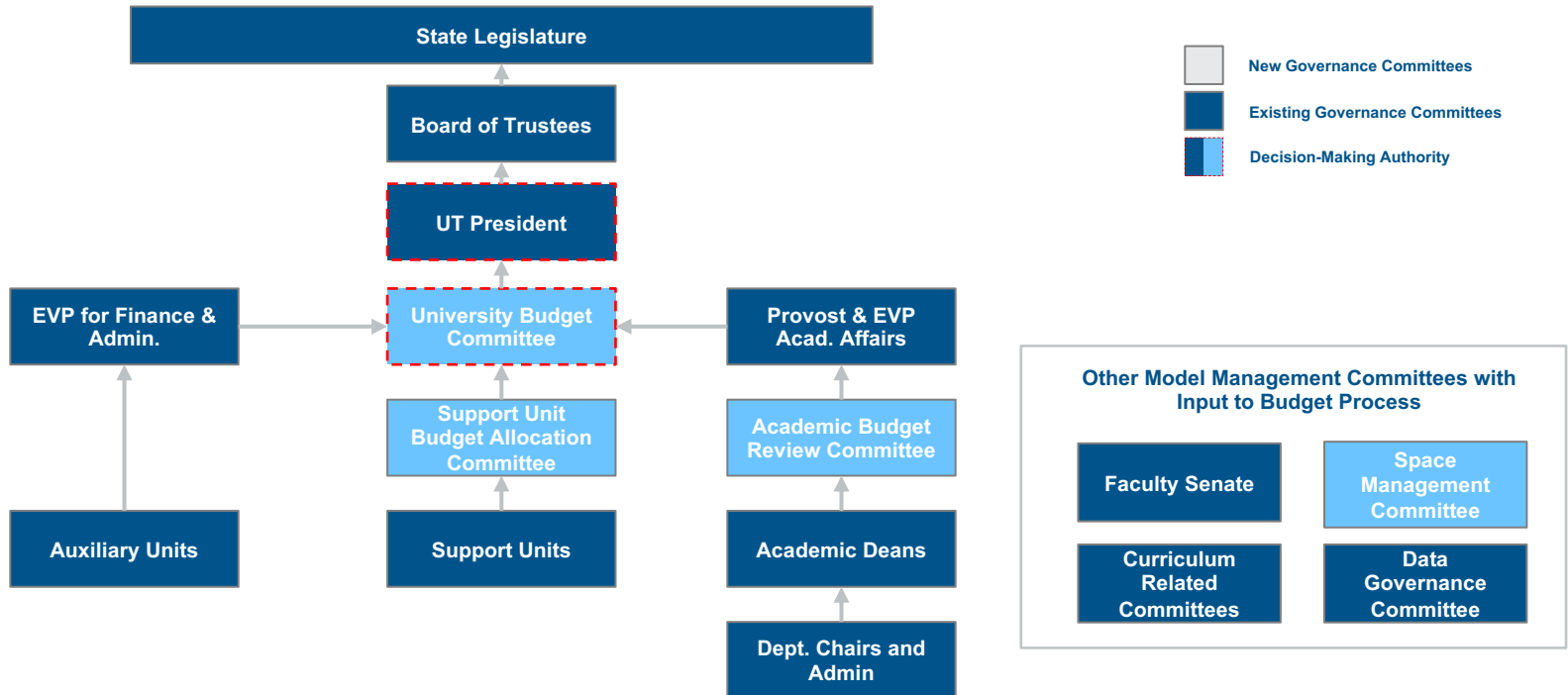
Phase	Fall 2020	Winter 2020	Spring 2021	Summer 2021	Fall 2021	Winter 2021	Spring 2022
Budget Model Methodology	[Dark Blue Bar]						
Budget Model Infrastructure Development			[Light Blue Bar]				
Executive Budget Support				[Light Blue Bar]			
FY23 Model Build, Continued Support					[Yellow Arrow]		

Today

While the parameters have been set and are generally well understood, several model mechanics and practices won't be fully appreciated until UT goes live with the new model this Summer.





Formalized Toledo Governance Structure

The following governance structure has been affirmed by the University. Leadership is currently working to finalize initial membership for each of the new committees.



Budget Model Policy Summary





The following policies have been drafted for operationalization, are currently being put through the policy review process, and the draft language will be distributed for review following this meeting.

Policy	Purpose
 Carryforward Policy	Allows units to transfer excess funds from one year to the next up to a determined percentage
 Reserve Policy	Allows local units to maintain an ongoing balance of unrestricted funds to plan for future commitments (e.g., faculty start ups)
 Subvention Policy	Ensures there are limits on drastic funding swings within the model therefore adding stability to College-level operations
 Vacant Position Policy	Enables the University to be responsible fiscal stewards of salary funding lines and helps ensure dollars are being spent on their intended use (i.e., salary funding lines being used for employees)

The policies currently under review align with industry best practices and will help support the new incentive-based model.

Next Steps

Over the next several months, Huron and Toledo will continue to partner in the implementation of the new incentive-based model.

 FY21 Model Build	 Governance	 Policy Affirmation	 FY23 Model Build
<p>Next Steps</p> <ul style="list-style-type: none"> • Develop FY21 Model to provide a comparative view of FY21 budget outcomes using the FY21 financial inputs, and previous year activity (credit hours, headcount, etc.) • Concurrently, develop FY21 Model using PowerBI for potential future use at the University 	<p>Next Steps</p> <ul style="list-style-type: none"> • Finalize committee membership and send initial communication to committee members regarding their appointments • Leverage Huron to support Toledo in formally charging the new committees • Begin holding committee FY23 Budget Model planning sessions in early 2022 	<p>Next Steps</p> <ul style="list-style-type: none"> • Finalize carryforward, reserves, subvention, and vacant position policies • Publish policies to University website and distribute to Deans and other relevant stakeholders • Hold additional discussions regarding new policies 	<p>Next Steps</p> <ul style="list-style-type: none"> • Develop FY23 Model using budgeted actuals for FY23, and previous year inputs (credit hours, headcount, etc.) • Begin initial review of model projections with budget stakeholders to ensure budgeted actuals support the model structure
<p>Estimated Completion: November 2021</p>	<p>Estimated Completion: January 2022</p>	<p>Estimated Completion: January 2022</p>	<p>Estimated Completion: April/May 2021</p>

3

Financial Opportunity Assessment Update



Status & Timeline

Today marks the third Deans Meeting in the Financial Opportunity Assessment, with discussion on Huron’s findings from the 12 opportunities that were identified and developed into 7 business cases.

Huron Project Updates	FOA Dean’s Meeting Updates
<ul style="list-style-type: none"> ▪ Financial Opportunity Assessment. –Review of 7 business cases and roadmap for opportunities ▪ Academic Portfolio. (AP) – Individual Dean feedback and next steps ▪ Budget Model – Build FY21 Budget Model, Support FY23 Budget Build, Finalize Budget Related Policy Development, and Launch Budget Governance Committees 	<ul style="list-style-type: none"> ▪ Business Cases <ul style="list-style-type: none"> ▪ Healthcare Contribution ▪ Spend Diagnostics ▪ Academic Portfolio ▪ Enrollment Management ▪ Differential Tuition ▪ IT: Software ▪ Athletics ▪ Roadmap to Realization

Phase	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Project Initiation		★												
Opportunity Identification				★				★						
Opportunity Development				★										★

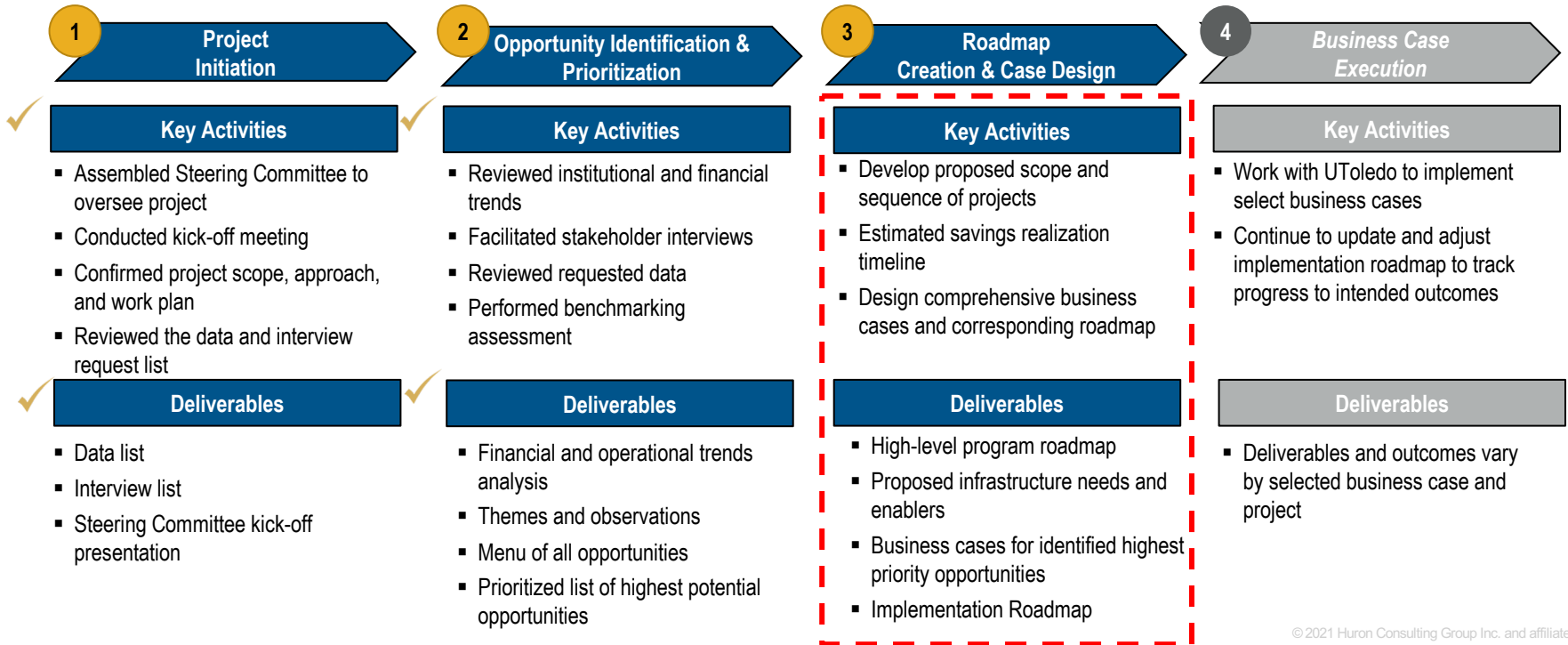
★ Steering Committee Meeting

★ Deans Meeting



The Path Forward

Huron and UToledo have identified 12 of the 41 opportunities for further exploration and design of 7 unique business cases. Today we will share our findings from these business cases and discuss next steps.



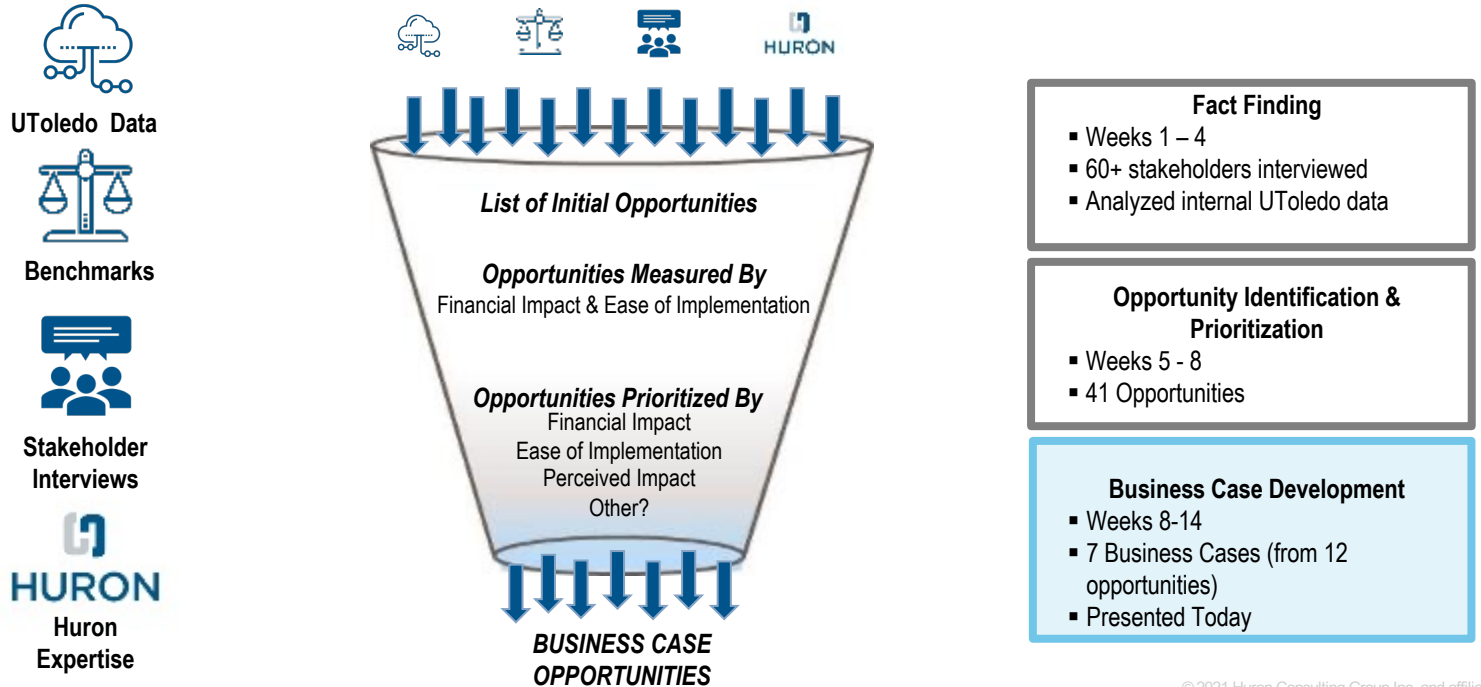
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Business Case Background



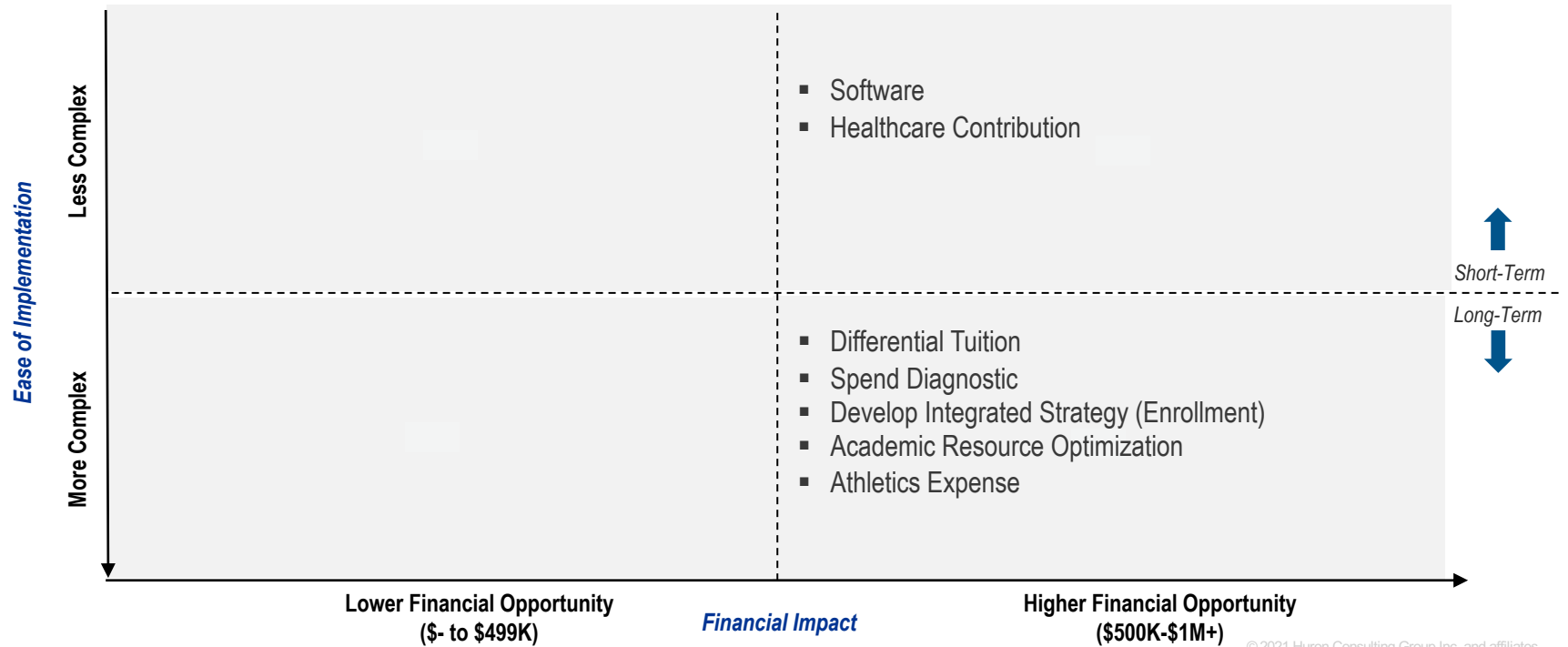
Progress to Date: Review of Methodology

An initial set of opportunities were presented to UToledo and further discussions based on implementation complexity, financial benefit, and additional factors led to the identification of business cases to be prioritized.



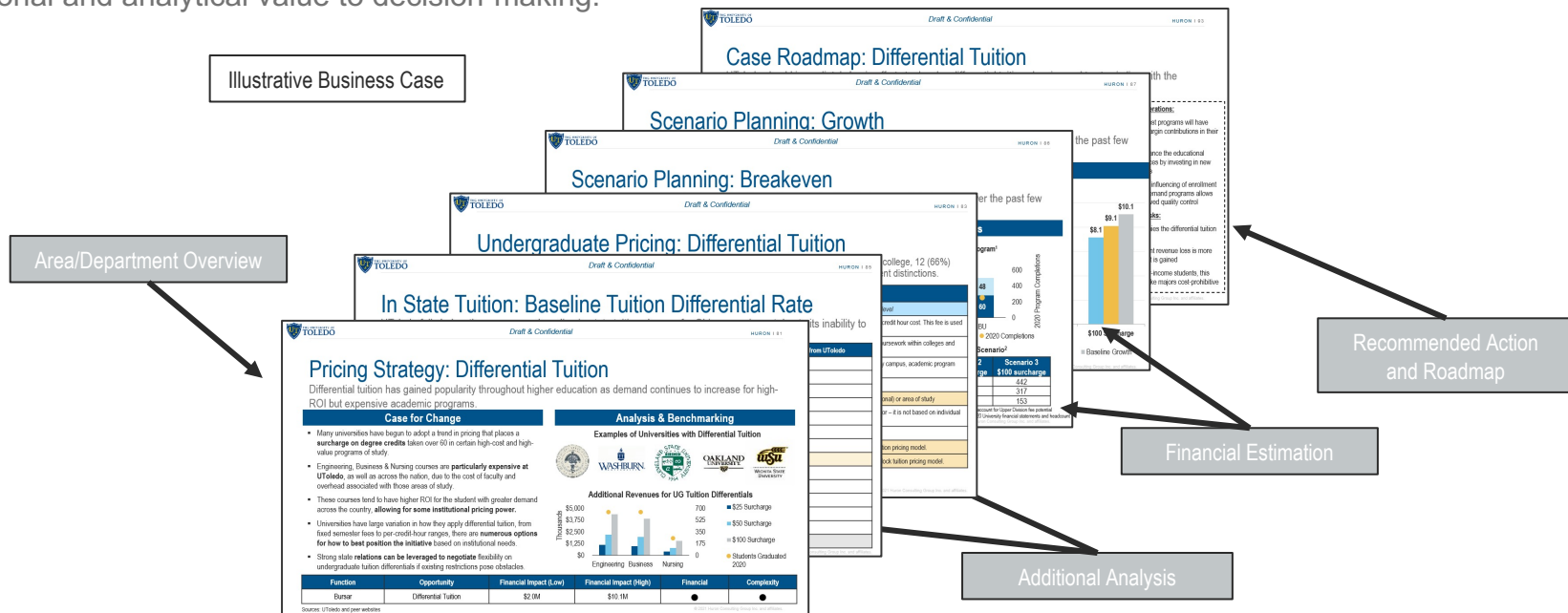
UToledo Impact Matrix

The selected business cases, narrowed down from a list of 41 identified opportunities, all represent high financial impact and primarily high complexity, as indicated on the prioritization matrix below.



Business Case Overview

Huron's business cases are structured proposals that outline the benefits and considerations of an opportunity, adding informational and analytical value to decision-making.



Business cases offer future state recommendations based on further research and analysis as well as scenario planning and use cases, followed by a high-level roadmap for next steps and implementation.

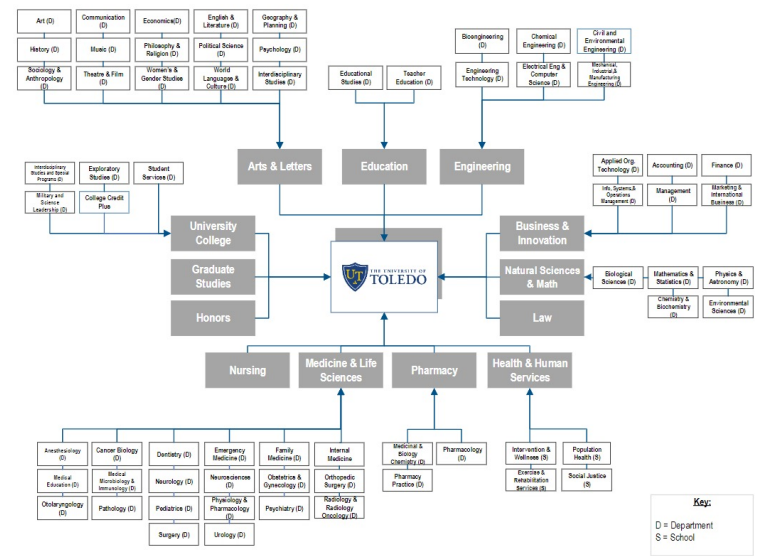
Academic
Resource
Optimization
Business Case



Academic Resource Optimization Opportunities

Huron encourages academic leadership to consider the potential benefits and unique challenges that each opportunity presents for an individual academic unit, the University, and the surrounding region and community.

Opportunity Component	Detail
College Economics Target reductions in overall cost per credit hour across departments	<ul style="list-style-type: none"> • Direct Costs (Faculty Compensation, teaching component) • Indirect Costs (Other faculty effort, academic overhead) • Credit hour production and program completions
Course Utilization Dictate the headcount per section expected from each unit	<ul style="list-style-type: none"> • Median section size 19 students • 48% of in-load sections fell below the median • Higher enrollment per section results in reduced costs
Faculty Productivity Increase expectations for credit hour production from tenure-line faculty	<ul style="list-style-type: none"> • Full time, non-tenured faculty produced 102% more credits than tenure-line faculty in AY19-20 • Increasing productivity may reduce hiring needs for extra instructors
Program Productivity Evaluate purpose of each academic unit according to service orientation	<ul style="list-style-type: none"> • 24 academic departments produced >50% of their credit hours through 5 or fewer course codes • These departments also had fewer average degree completions
Department Overhead Reduce faculty administrative tasks and share administrative services	<ul style="list-style-type: none"> • Median college/department overhead per credit was \$209 • 21 departments fall above the median overhead proportions • Targeting the median could yield significant savings



Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Academic Affairs	Academic Resource Optimization	\$3.2M	\$6.9M	●	●

Academic Resource Optimization Opportunities

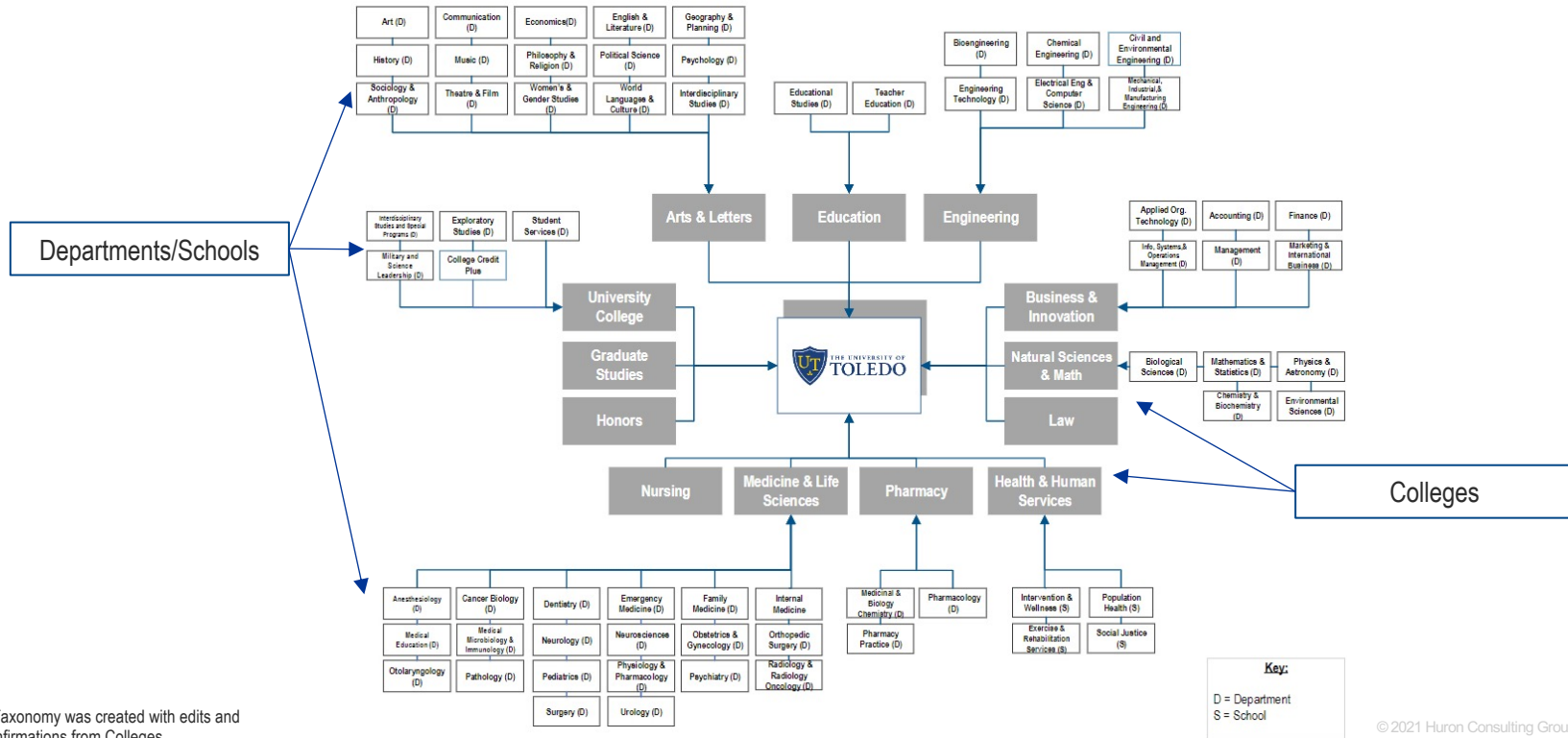
Huron encourages academic leadership to consider the potential benefits and unique challenges that each opportunity presents for an individual academic unit, the University, and the surrounding region and community.

Opportunity	Detail	Financial Impact	Complexity
College Economics	Using model levers, target reductions in overall cost per credit hour across departments within each College in order to reduce the University average.	●	◐
Course Utilization	Dictate the headcount per section expected from each unit; decide if low-enrolled sections should count towards load	●	◐
Faculty Productivity	Increase expectations for departmental credit hour production from tenure-line faculty, especially in units that primarily support vs. produce programs	●	◐
Faculty Effort	Align expectations for non-teaching activities of full-time faculty based on mission alignment and faculty level	●	◐
Program Productivity	Evaluate purpose of each academic unit according to service orientation and curricular overlap and determine need for independent departmental infrastructure vs. consolidation to shared support unit	●	◐
Department Overhead	Reduce faculty administrative tasks and identify opportunities to share services in more efficient ways	●	◐

Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Academic Affairs	Academic Resource Optimization	\$3.2M	\$6.9M	●	◐

Academic Taxonomy¹

This organizational structure is the foundation for the academic portfolio assessment as the framework is built upon the alignment of each curricular component offered at the university to an academic unit within the UToledo colleges.



Key:
 D = Department
 S = School

¹ Taxonomy was created with edits and confirmations from Colleges

Academic Cost Management

Informed academic cost-management requires a nuanced approach to aligning curricular offerings (e.g., courses and programs) to the human and financial resources necessary to maintain quality and increase efficiency.

Curriculum

Justify course offerings with student demand, market need, and/or missional importance. Inform curricular decisions with institutionally-trusted data.



Overhead Costs

Identify opportunities to share resources and reduce locally provided services. Consider potential consolidation scenarios, informed by changing student demand and mission alignment.



Coursework

Monitor and consolidate low enrolled sections. Reduce courses with waning student demand. Rationalize non-revenue generating graduate programs with student teaching and/or research productivity.



Instructor Compensation

Track faculty credit hour production. Reduce the need for contingent faculty by efficiently and effectively deploying full-time faculty. Regularly re-evaluate faculty time spent teaching versus doing administrative, research and/or service activities. Justify faculty lines with student demand.



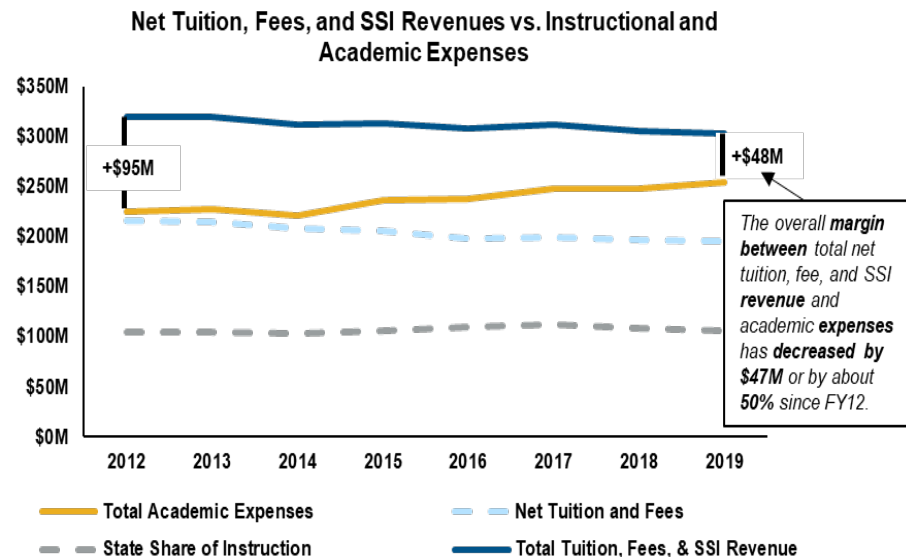
Academic Related Financial Trends

Academic expenses increased each year despite declines in tuition revenue, enrollment, and credits hours. Consequently, UToledo has had to increasingly rely on SSI to cover the gap, further constraining operations.

Case for Change

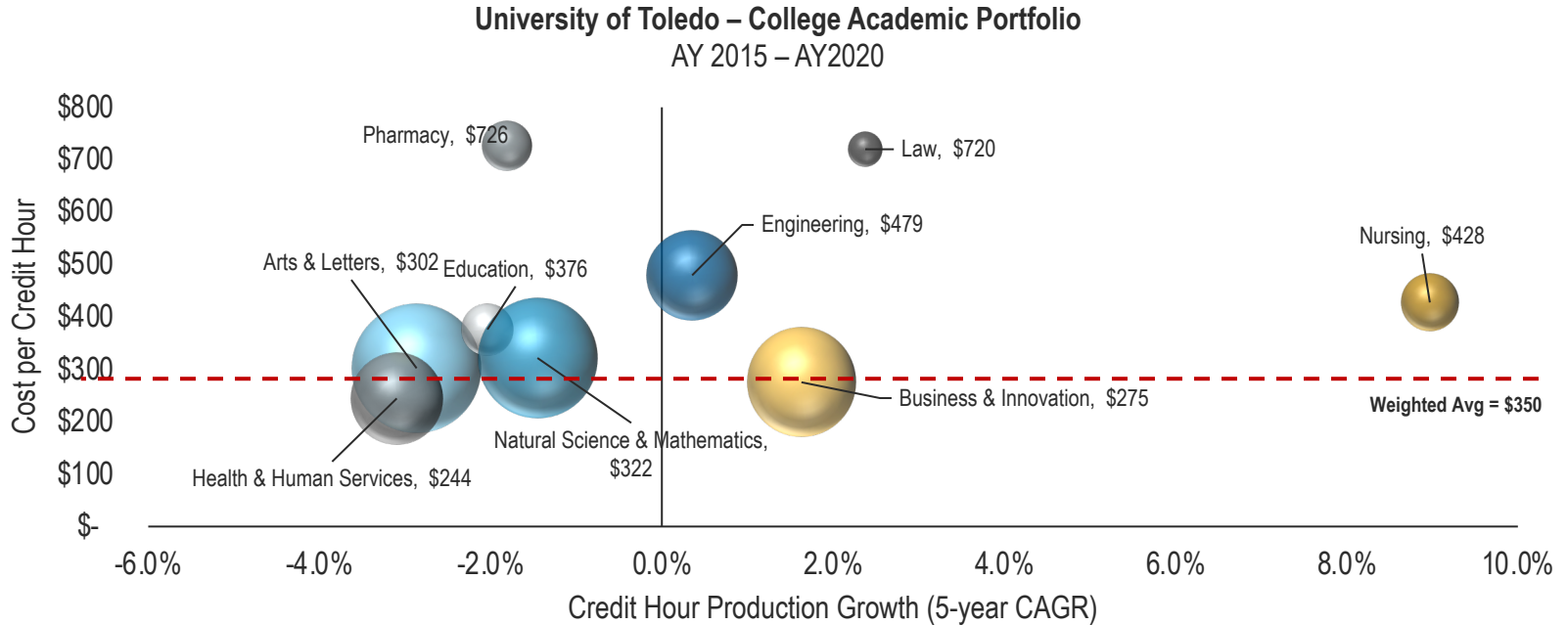
- UToledo has decreased headcount **(1.9%)** year-over-year since AY 2015; however, credit hour production has dropped by nearly double **(3.7%)**, which may result in **underutilized faculty capacity, less net tuition revenue and inefficient course economics.**
- The Ohio and Midwest regions are **projected to lose high school graduates at a rate faster than the national average of (6.3%)**. Ohio stands to grow at a rate of **(7.2%)** whereas the Midwest will fall to **(10.4%)**.
- Departmental overhead accounted for the largest portion** of the cost per credit hour according to UToledo's available data. This signals a significant opportunity to realign academic support infrastructure and resource allocations to changing demand in order to increase efficiencies.

Academic Revenue and Expenses



Program Economics by College

Portfolios commonly include growth engines and steady-staters, high-cost and low-cost, and “at-scale” and “still below scale”. The objective of institutions should be to maintain a balance between mission and finances.



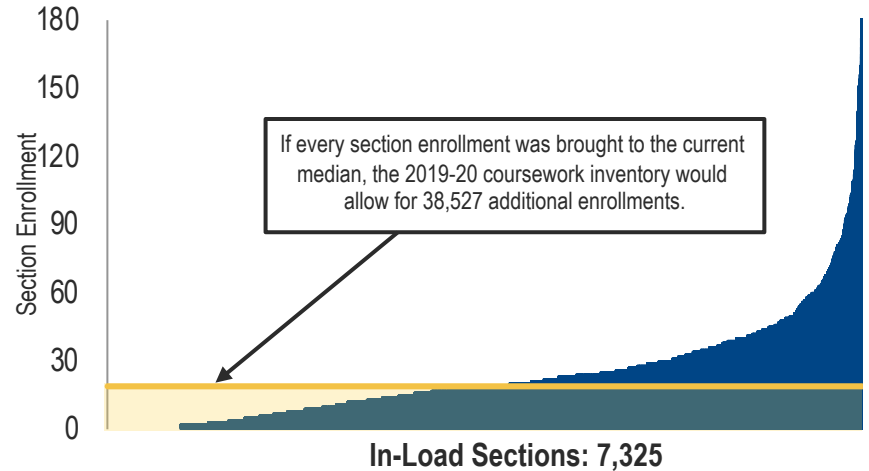
Course Utilization

The median enrollment of in-load sections at UToledo is 19 with an average of 23.9 in AY 2019-20, 3,539 sections fell below median enrollment suggesting an opportunity to increase efficiencies and reduce cost.

Case for Change

- In FY 19-20, there was a total of 7,325 sections considered in-load across the University. About 48% of those section **had less than the median (19) enrollment** of in-load sections at UToledo.
- If every section enrollment was brought to the current median, the course work inventory would allow for a **21% increase in additional enrollments**.
- Reducing 10-15% of low enrollment in-load offerings with fewer than 10 students will **result in a total cost savings of \$1.2M – \$2.3M in instructor compensation** and will further minimize redundancies, maximize faculty effort, and increase operating margins.

Analysis & Benchmarking



Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Academic Affairs	Course Utilization	\$1.2M	\$2.3M	●	●

Assessing Instructional Activity

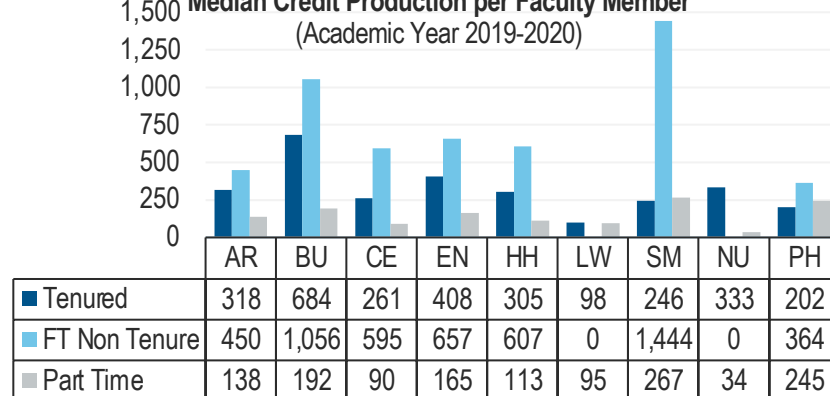
As one of the University's primary investments, deployment of instructional faculty should be optimized to produce the greatest impact across the largest group of students possible to maximize returns.

Case for Change

- **Setting a policy around the minimum expected credit hour production for full time and tenure-line faculty** may help to increase the return on investment into a key University asset, as well as reduce the need for hiring part-time or adjunct faculty to fill in gaps for teaching enrolled students.
- On a per-faculty member basis, **full time non-tenure track faculty teach nearly 102% of the credit hours** taught by tenured faculty, and nearly three times as many as part time faculty.
- **Adjunct and part-time instructors amount to 685 individuals teaching courses resulting** in an estimated total of \$5.4M for their teaching efforts.
- Based on an average CHP (209) and teaching salary (\$8,900) of Part Time Faculty, the table to the right reflects various possibilities for **cost savings based on hiring needs** as a result of higher TTL CHP.

Scenario Analysis

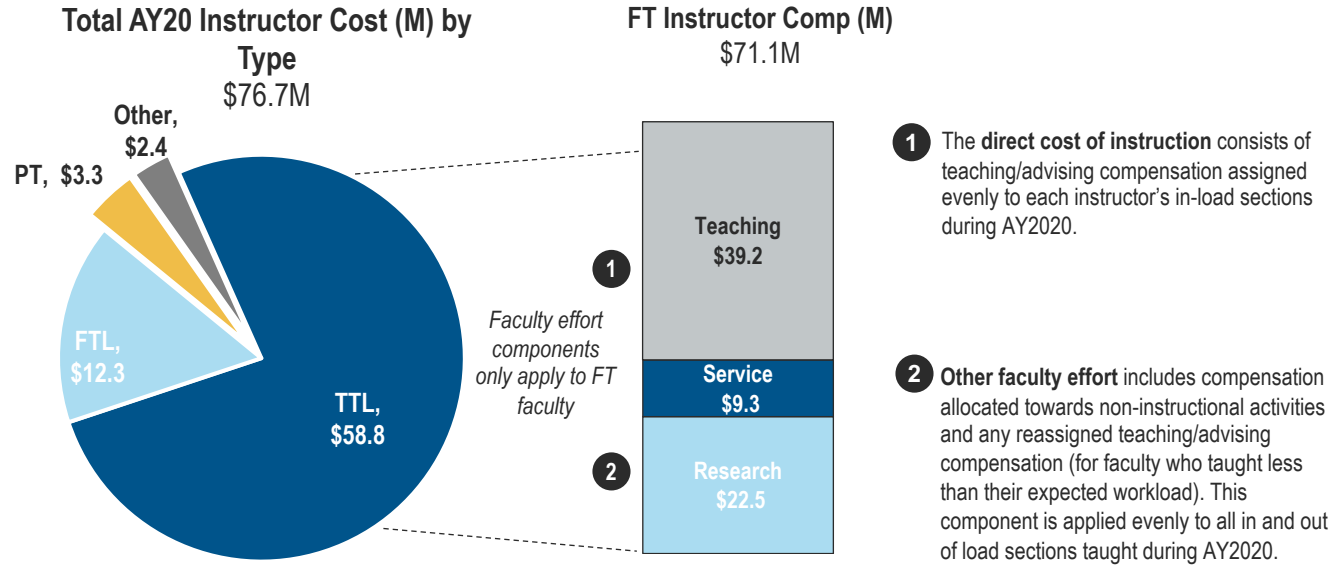
Median Credit Production per Faculty Member
(Academic Year 2019-2020)



Scenario (Median: 354)	Credits Gained	PT Faculty Need	PT Faculty Savings
Bring 20 TTL Up to Median	6,778	32	\$284K
Bring 50 TTL Up to Median	15,957	76	\$680K
Bring 100 TTL Up to Median	28,398	136	\$1.2M

Faculty Activity

Direct costs of instruction are composed of instructor compensation and fringe benefits that get applied directly to sections taught as assigned teaching/advising compensation and other faculty effort.



1 The **direct cost of instruction** consists of teaching/advising compensation assigned evenly to each instructor's in-load sections during AY2020.

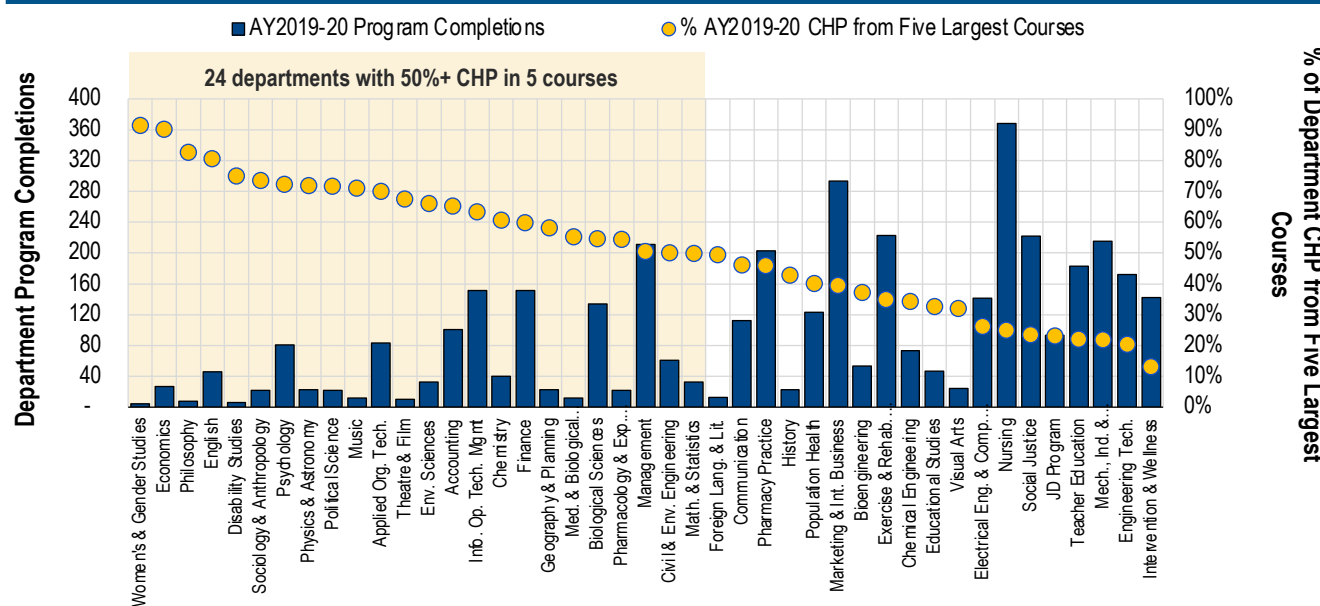
2 **Other faculty effort** includes compensation allocated towards non-instructional activities and any reassigned teaching/advising compensation (for faculty who taught less than their expected workload). This component is applied evenly to all in and out of load sections taught during AY2020.

Overall, 93% (\$71.1M) of the resources invested in instructor compensation go toward full-time faculty, with approximately 54% (\$38.5M) of those dollars assigned to in-load sections as part of the direct cost of instruction.

Department Economics

During AY 2019-20, 24 departments generated more than half of their credit hours through only 5 or fewer courses, suggesting a distinction between units producing high numbers of majors and units that teach students from those majors.

Completions and Credit Hour Production by Unit



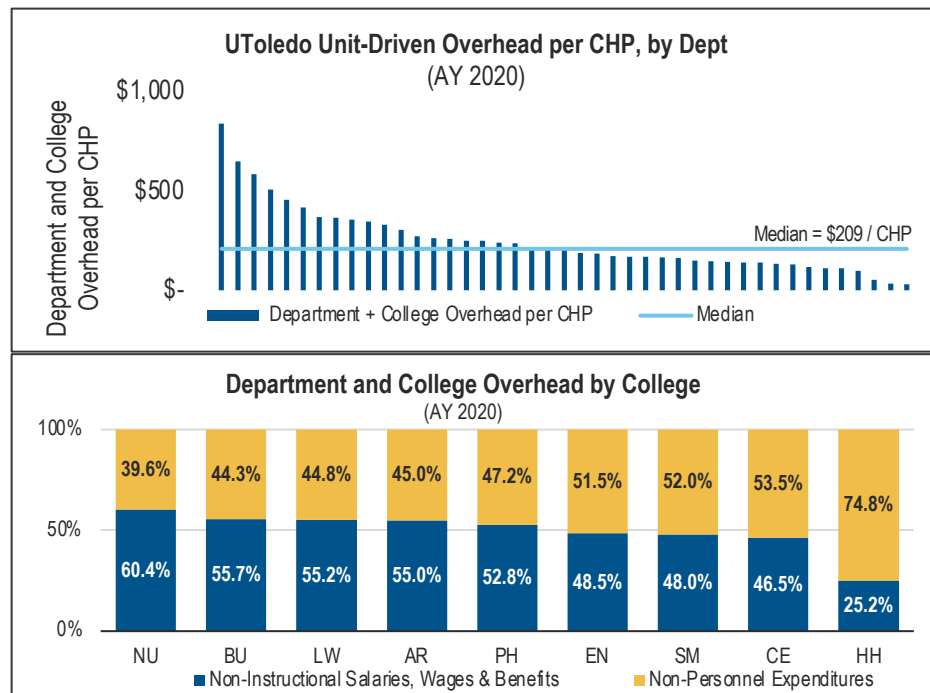
Units producing more degrees will require additional resources to support advising, upper division course offerings, and other items, while units with fewer of these responsibilities may be operated at greater efficiencies.

Notes: Chart excludes courses and completions without a department and in the Honors and University Colleges. Program completions include Associate, Baccalaureate, Master's, and Doctoral degrees; undergraduate and graduate certificates.

Academic Overhead

Department and college overhead accounts for 60.9% of UToledo's total instructional costs. Assessing where the rate of overhead to department credit hour production varies may identify opportunities for cost savings.

- Department and college overhead includes** other faculty effort as well as the salaries, wages, and benefits of other faculty effort and individuals who did not teach a course in AY 2020, including administrators, faculty, staff, and grad students. Non-personnel expenditures includes travel, supplies, materials, equipment, leases, and other costs.
- Total department and college overhead per credit hour varies widely across UToledo departments, **ranging from \$31 to \$831 per CHP**.
- 21 departments have **department and college overhead per credit in excess of the median**; if these departments reduced their ratio to the median, UToledo could save ~\$18.7M.
- A reduction of even 10% across units with overhead above the institutional median per CHP **could save UToledo ~\$6.1M**.
- To determine the **appropriate ratio of departmental overhead to CHP**, UToledo should integrate and assess differences in academic disciplines, college support service structures, and approaches to historical budget cuts.



Informing Faculty Line Decisions

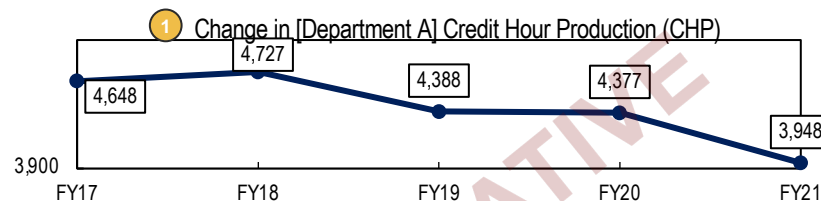
The model can provide insightful statistics to support leaders to effectively manage faculty effort and help inform hiring decisions, especially as student demand shifts instructional capacity.

Sample Use Case: One scenario Deans are often faced with is whether to **add or replace a faculty line**

The model allows leadership to **make data-informed resource decisions** by answering the following questions when evaluating the current-state:

- 1 What is the **current demand of the program** and what does growth look like in terms of CHP?
- 2 How many **faculty members are currently aligned** to [Dept. A] and what is their CHP in courses related to [Dept. A]?
- 3 How are [Dept. A] faculty members being leveraged to **teach courses outside of the [Dept. A]** department?
- 4 How many **faculty members outside of the [Dept. A]** department are **teaching [Dept. A]** courses?
- 5 Is there an opportunity to **better leverage current [Dept. A] faculty capacity within** the home department?

The information presented on the right suggests **that existing resources could be shifted** by realigning instructional efforts [Dept. A] or rationalizing the current state with a clear growth strategy (e.g., new program or research direction) requiring a continued investment.



2 **Instructors who taught an [Dept. A] Course in AY21**

Tenure Status	Primary Instructor Title ¹	AY21 CHP in [Dept. A]	AY21 Total FCLTY CHP	[Dept A] FCLTY CHP outside of [Dept. A]	Total AY21 TCH
TTL	Professor – [Dept. A] ²	587	587	0	35
TTL	Professor – [Dept. A]	217	301	84	16
TTL	Assoc. Professor – [Dept. A]	390	519	129	21
TTL	Assoc. Professor – [Dept. A]	246	481	235	26
TTL	Asst. Professor – [Dept. A]	405	570	165	24
TTL	Asst. Professor – [Dept. A]	366	366	0	15
NTL	Lecturer in [Dept. A]	654	654	0	24
NTL	Lecturer in [Dept. A]	648	648	0	24
NTL	Lecturer in [Dept. A]	372	702	330	27
TTL	Assoc Professor – [Dept. B]	63	586	-	-
Grand Total		3,948	5,414	943	
5 Mean CHP for [Dept. A] Faculty		432	536		
Median CHP for [Dept. A] Faculty		390	570		

Rationalizing Graduate Programming

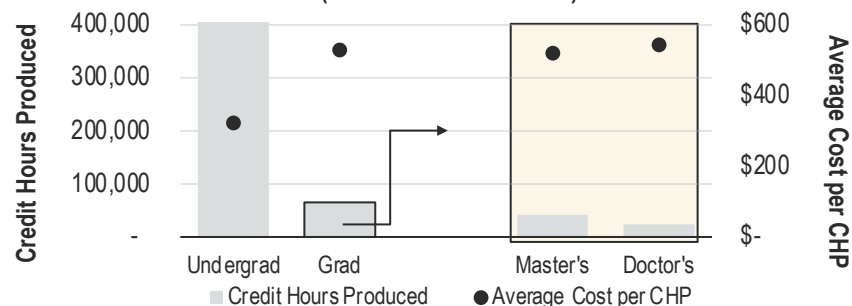
Graduate level coursework at UToledo typically have fewer enrollments and credit hours produced, resulting in an average cost per credit hour that is 64% higher than the undergraduate average.

Current State

- Low enrollment in graduate courses leads to low credit hour production per section offered, resulting in a **higher cost per credit hour** for each course and program, lowering overall margins.
- Graduate education is disproportionately expensive, producing **13.2% of UToledo's total credit hour production**, yet accounting for **31.4% of instructor compensation** and **19.9% of total instructional costs**.
- This is largely due to the **fact that smaller sections are inherently more expensive to teach** given instructional compensation is spread across fewer CHs, as well as the type of faculty typically assigned to teaching these courses.
- The average section size across course levels were:
 - Undergraduate: 26
 - Masters: 10
 - PhD: 6

Key Metrics AY19-20

Credit Hour Production and Cost by Level
(Academic Year 2019-20)

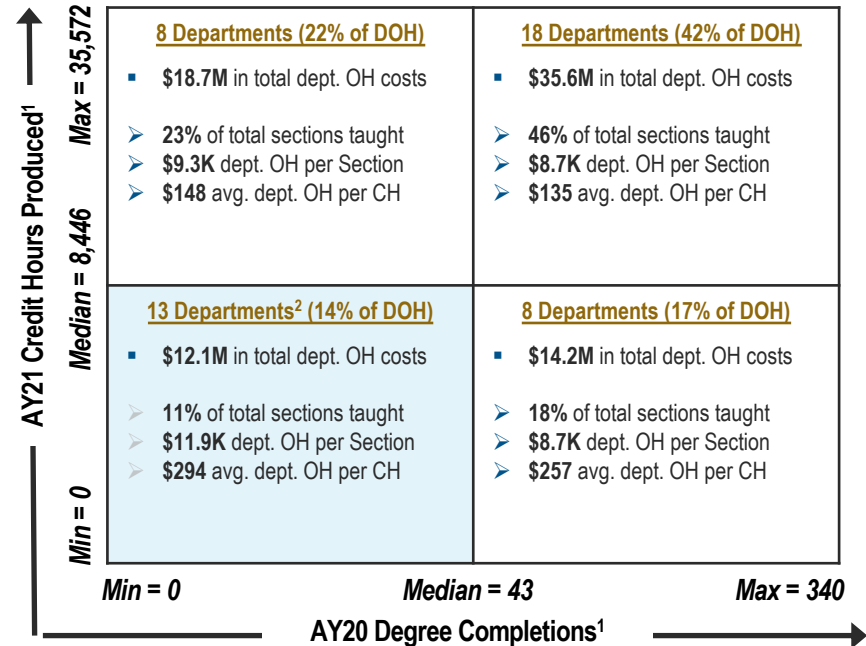


	UG	Grad*	Total	Grad (%)
Sections Offered	6,295	2,664	8,959	29.7%
Instructor Compensation	\$30.1M	\$13.8M	\$43.9M	31.4%
Total Instructional Costs	\$138.6	\$34.5M	\$173.1M	19.9%
Credit Hours Produced	429,065	65,261	494,326	13.2%
Cost per CHP	\$323	\$529	\$350	—

Isolating Overhead Costs

Academic overhead is a key component supporting the instruction and support of students and faculty alike. Isolating the costs associated with this support allows leadership to adjust service levels to match demand.

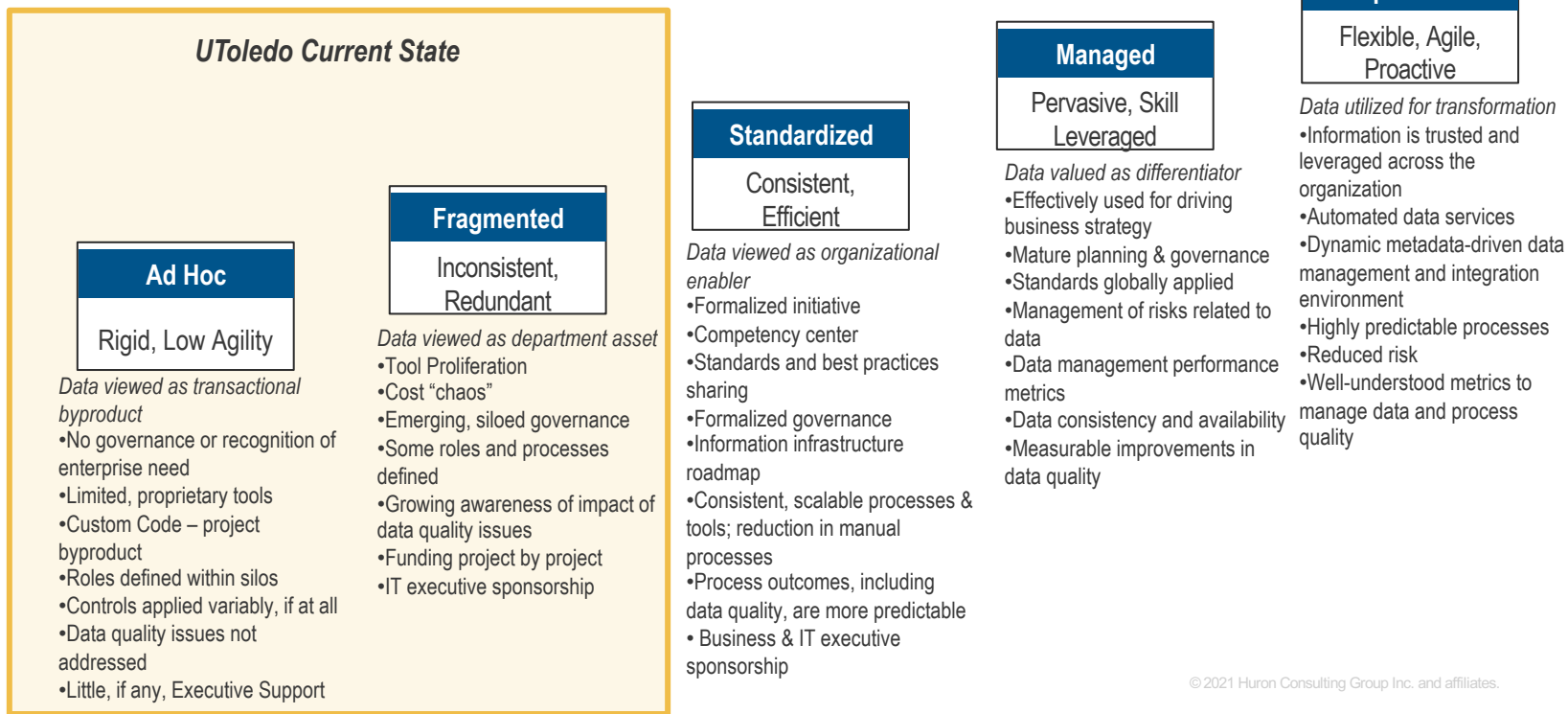
- Generally, effective alignment of academic departments **minimizes costly proliferation and redundancy** by **grouping common resources** to improve service levels and increase efficiency.
- UToledo has 47 **academic** departments (including Dean’s Suites) aligned to 10 colleges producing credit hours (excludes College of Medicine and non-academic units). Total academic overhead in FY20 amounted to \$129M with **department overhead making up 66%** of this total.
- **Department overhead comprises 49% of the total cost-to-educate**, including other faculty effort, salaries for staff, faculty on sabbatical or with course releases, travel, supplies, and various other expenses.
- Smaller departments tend to be less efficient than larger departments and require disproportionate resources; as such, opportunities may exist to **reduce overhead by creating interdisciplinary units** through department integration.
- Reducing the number of departments, especially in the bottom, left-hand quadrant can **streamline processes, encourage collaboration, and realign or reduce administrative costs**.



¹ Excludes Honors College & University College Departmental Overhead
 Totals may not foot due to rounding and absence of above departments Huron Consulting Group Inc. and affiliates.

Data and Analytics Capacity

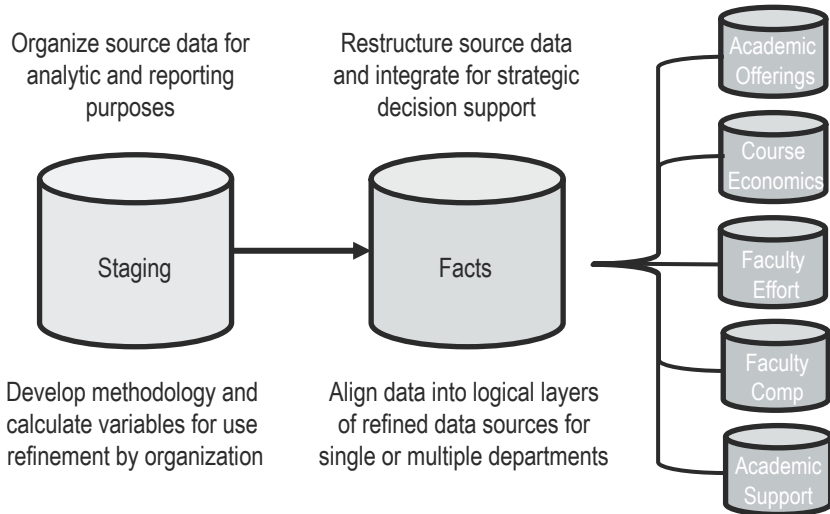
The integrity, management and utilization of data is a driving force in an institution's ability to create and implement an effective organizational strategy.



Data and Analytics Capacity

In order to benefit from data as an organizational asset, UToledo should adjust its data management and reporting strategy to better serve the needs of the institutional community.

How to get from source data to practical insights that enable forecasting and strategic decision making?



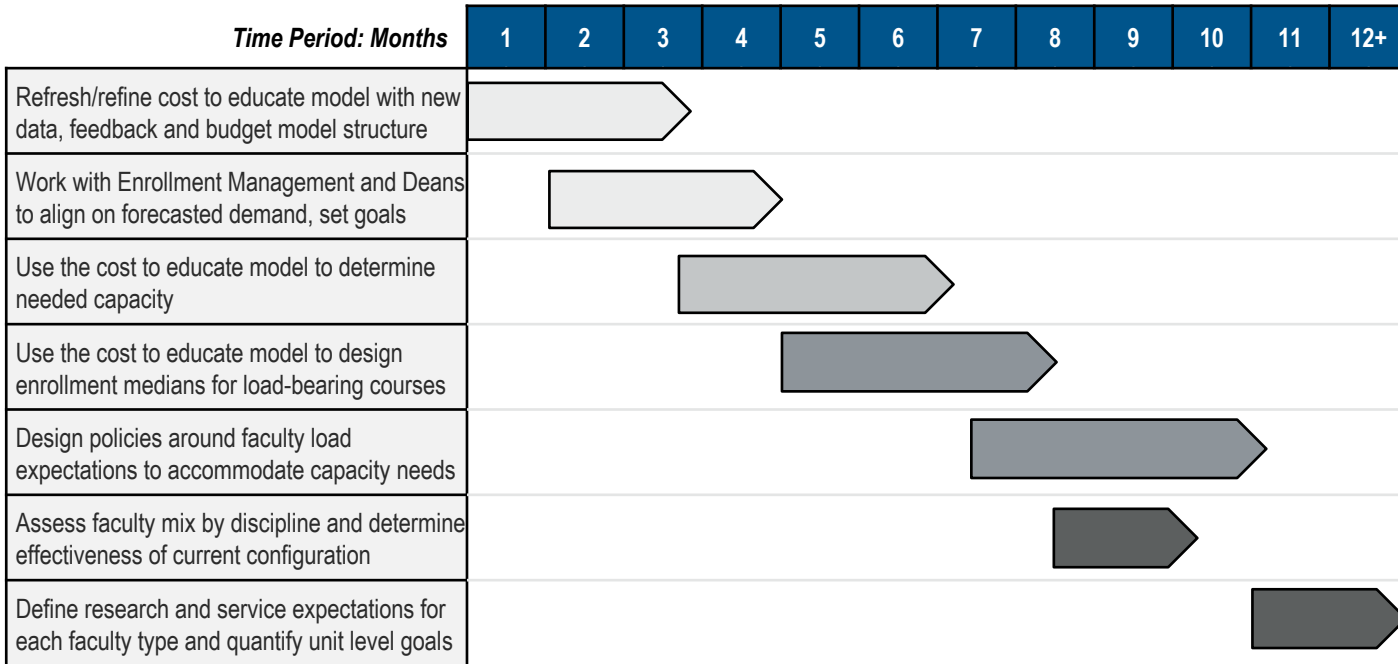
Future State Decision Support Model

Activity	Objectives
Identify Key Metrics	<ul style="list-style-type: none"> Refresh cost-to-educate model Select 6-8 metrics
Establish Analytic Support	<ul style="list-style-type: none"> Provide access to all data sources Assign high priority to project
Develop and Disseminate Reports	<ul style="list-style-type: none"> Select a reporting platform Include summary and source data
Assess Metric Usefulness	<ul style="list-style-type: none"> Collaborate with Dean's Suite Assure periodic improvements
Use Feedback to Improve Process	<ul style="list-style-type: none"> Improve data entry and maintenance Assess utility of current ERP

First step for all options will be to evaluate system capacity to allow the data model to support future state

Case Roadmap: Faculty Effort & Course Economics

Implementing changes across the academic portfolio of the University will require strategic and thoughtful planning using historical data and forecasted metrics to obtain an optimal balance for the University.



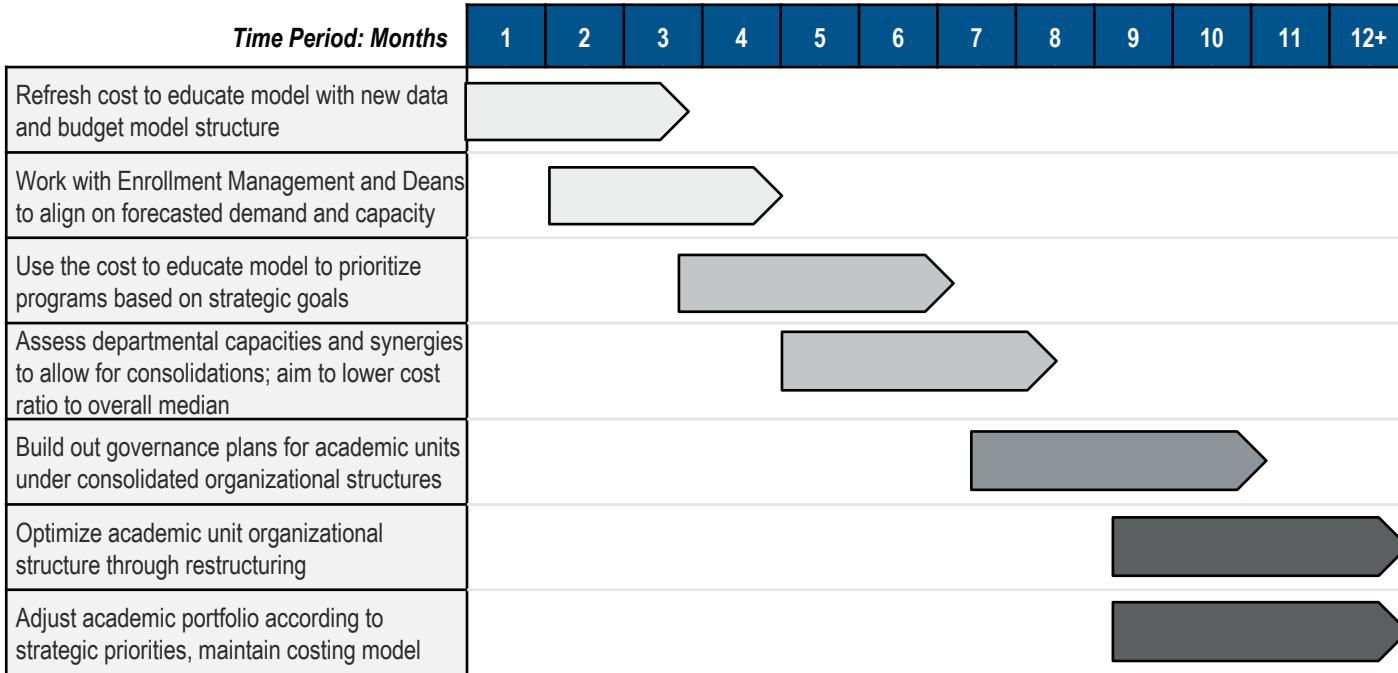
Key Considerations:

- Huron recommends a refresh of the costing model to account for changes to budgeting and the newest data
- An individual team or unit should be designated for the development and management of an integrated data warehouse in order to produce consistent and comprehensive decision support metrics and control access standardized data
- Policies around minimum enrollments and faculty productivity should reflect the needs and goals of the college and institution, and any exceptions to the policies should be approved and documented by academic leadership



Case Roadmap: Administrative Overhead

Implementing changes across the academic portfolio of the University will require strategic and thoughtful planning using historical data and forecasted metrics to obtain an optimal balance for the University.



Key Considerations:

- Huron recommends a refresh of the costing model to account for changes to budgeting and the newest data
- Changes to the academic portfolio should consider student demand, financial viability, institutional mission/goals, and student success rates and outcomes
- Any changes made to programmatic offerings should allow for current cohorts to finish out programs within a pre-determined timeline to increase retention and student success
- Organizational structures for academic units should strive to reflect that of the administrative functions of the institution as closely as possible to maximize efficiencies



2

Additional Business Case Opportunities and Roadmap to Realization



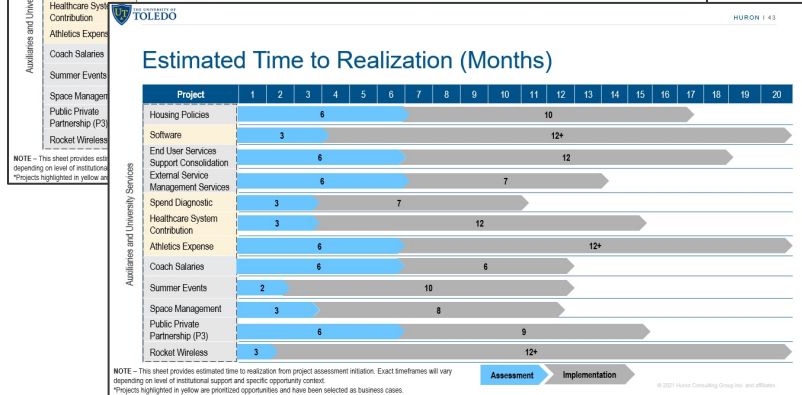
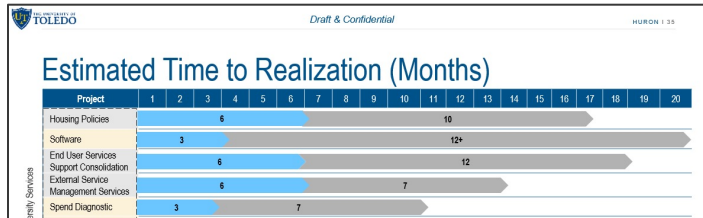
Inventory of Business Case Opportunities

The seven business cases selected by the Steering Committee are outlined below with additional detail regarding suggested actions and next steps.

	Business Case	Description	Timeline (Months)	Financial
	Differential Tuition	Increase net tuition revenue through strategic pricing of high-demand, growing programs for undergraduate majors in Engineering, Nursing and Business.	36	\$2.0M - \$10.1M
	Health System Contribution	Catalog and monitor services rendered between UT and the UT health system in order to quantify costs and develop an effective governance structure for shared services model to ensure appropriate reimbursement.	12	\$2.5M - \$9.9M
	Academic Optimization	Improve institutional cost per credit hour by increasing course efficiencies and faculty productivity, and by reducing academic overhead through shared or consolidated departments and resources.	18	\$3.2M - \$6.9M
	Enrollment Strategy	Create a cohesive and mission-driven strategy through all Enrollment Management functions to increase applications, yield and retention, particularly across vulnerable or non-traditional populations.	12	\$1.7M - \$6.0M
	Software	Optimize portfolio of software products by eliminating redundancies, finding alternatives for low-use or low-value single-service products, and choosing comprehensive applications and software that are widely used and integrated.	9	\$1.6M - \$5.4M
	Spend Diagnostic	Increase spend efficiency through strategic selection of vendors (particularly across pCard, MRO Services/Supplies, Scientific Supplies, and Computer Hardware), and selection of eMarketplace tool.	9	\$2.5M - \$4.0M
	Athletics Expense	Reduce spend per athlete while maintaining high return on investment, particularly focusing on higher reliance on travel and "other" expenses that outpace those of peers.	12	\$690K - \$1.1M

Roadmap to Realization

UToledo's selected opportunities and desired timeline for implementation will determine the specific road to realization. This section will provide foundational information to help facilitate that discussion process.



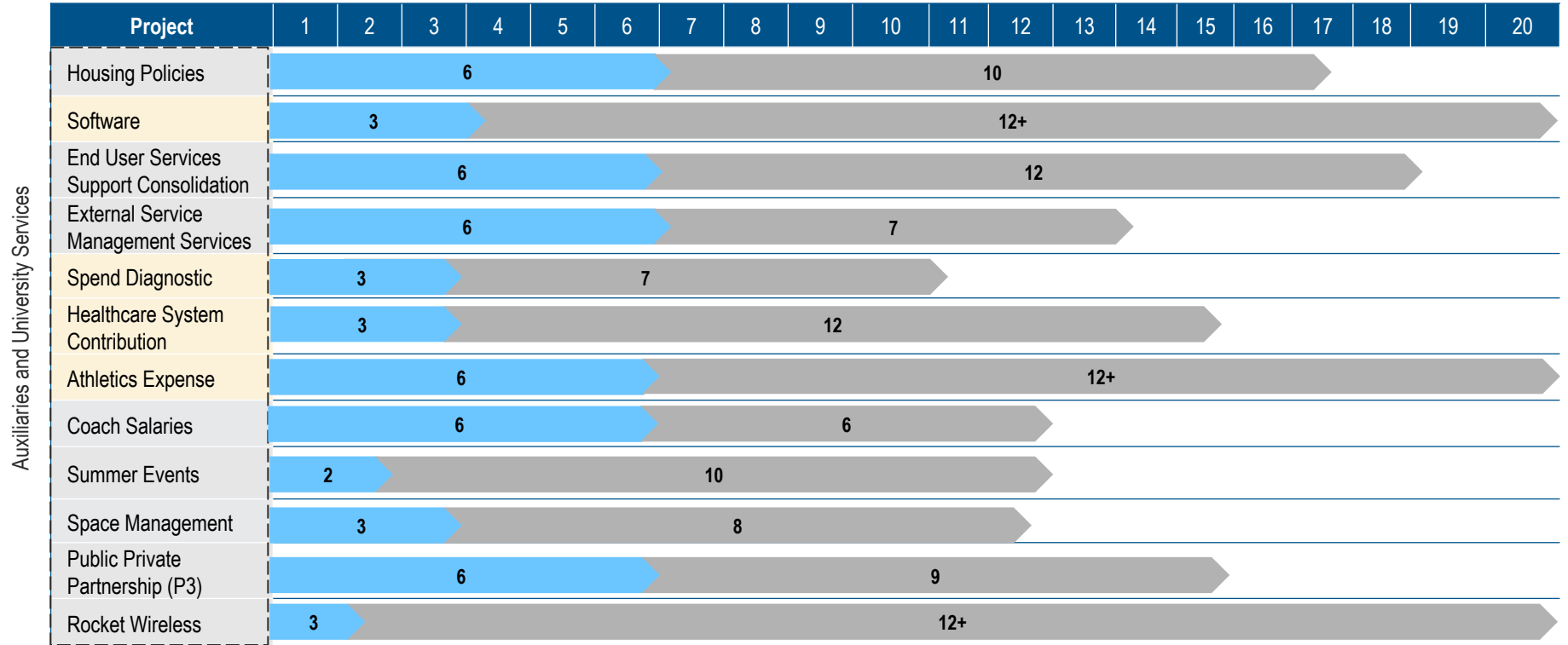
1 Estimated Time to Benefit Realization

- Provides estimated time, per opportunity, that will be required for (1) additional assessment and (2) implementation
- Actual time to benefit may vary dependent on opportunity launch date, community buy-in, and other impactful elements

2 Benefit Realization Forecast

- Provides context around potential benefit realization by fiscal year
- Benefit realization forecasts may vary dependent on opportunity launch team and specific targeted benefit (low/high)

Estimated Time to Realization (Months)



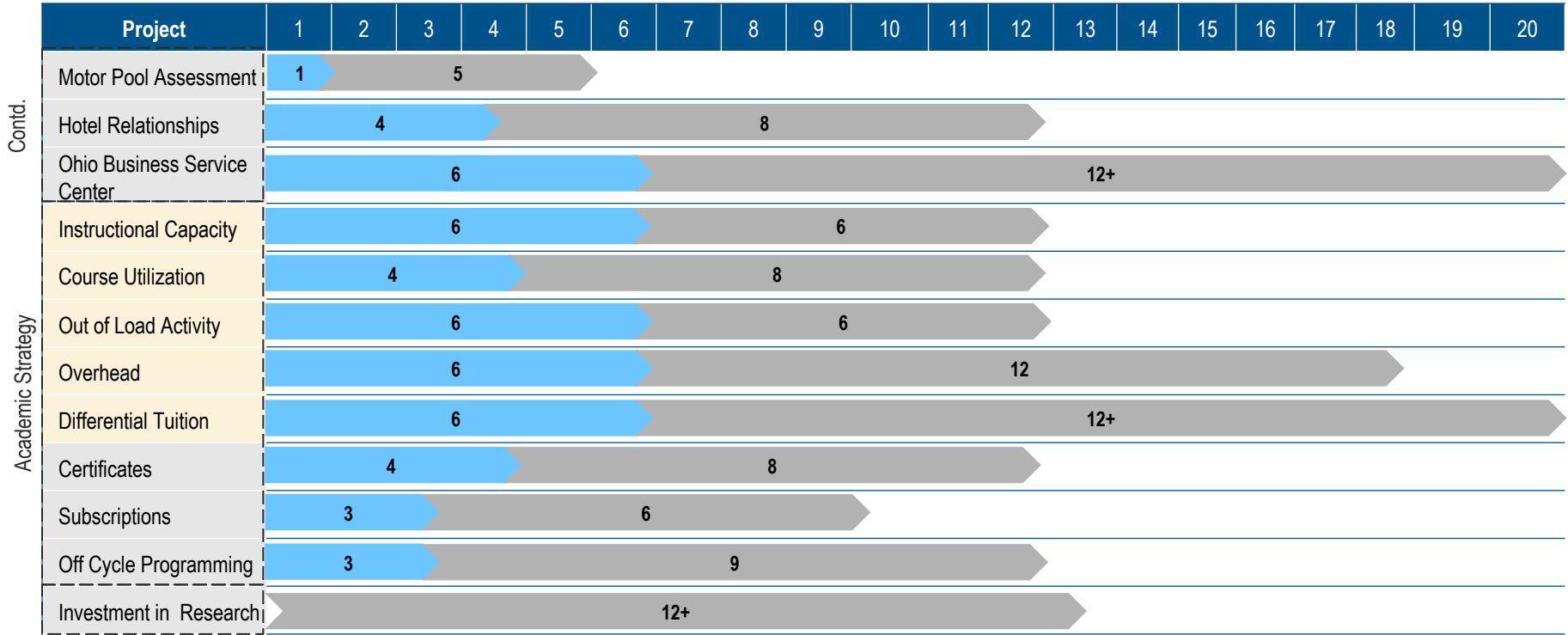
Auxiliaries and University Services



NOTE – This sheet provides estimated time to realization from project assessment initiation. Exact timeframes will vary depending on level of institutional support and specific opportunity context.

*Projects highlighted in yellow are prioritized opportunities and have been selected as business cases.

Estimated Time to Realization (Months)

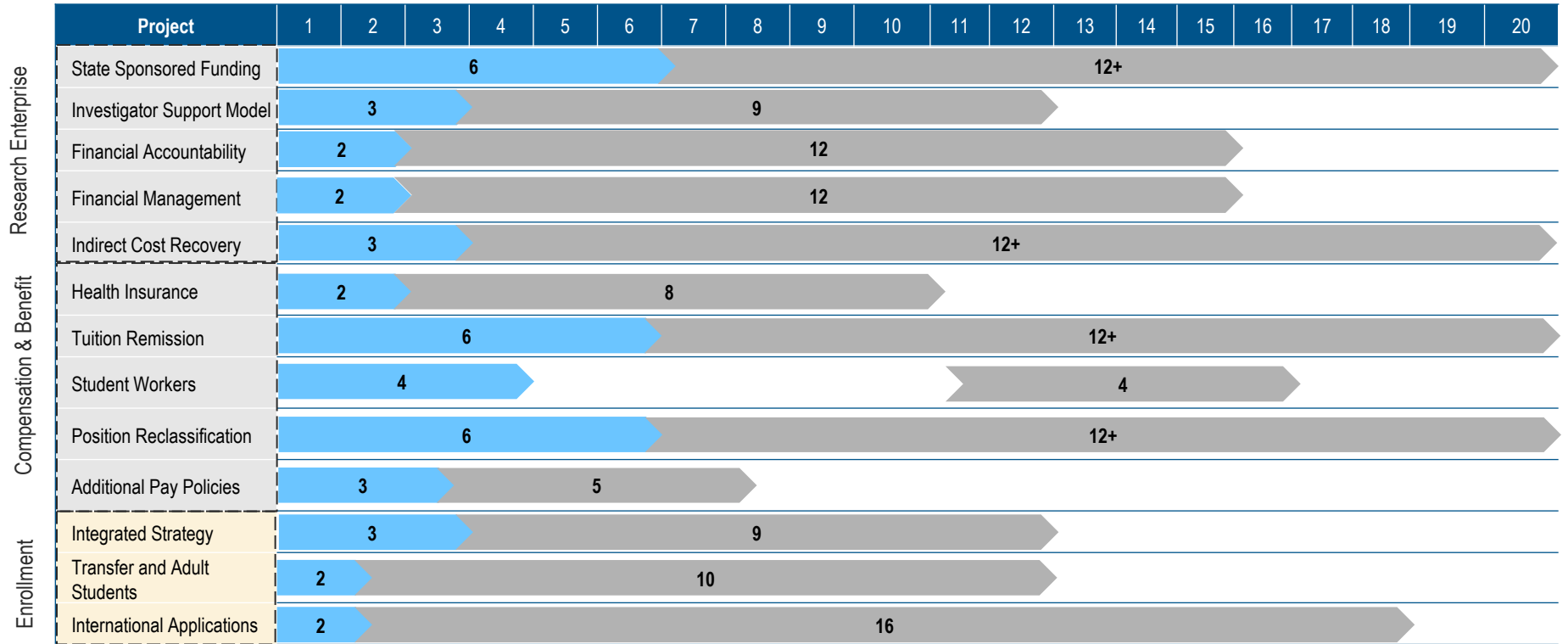


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Estimated Time to Realization (Months)



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*Projects highlighted in yellow are prioritized opportunities and have been selected as business cases.



Next Steps

Over the next several weeks, each initiative will continue to make sustained progress towards completing its objectives.

Budget Model Design	Academic Portfolio Review	Financial Opportunity Assessment	Executive Advisory Support
<ul style="list-style-type: none"> ▪ Develop FY21 Budget Model to provide a comparative view of FY21 budget outcomes ▪ Finalize governance committee structure and membership ▪ Refine and finalize new budget-related policies ▪ Develop FY23 Model and begin initial review of model projections 	<ul style="list-style-type: none"> ▪ Complete model refinement in collaboration with the Deans ▪ Develop suite of metrics for review by academic leadership ▪ Continue to collaborate with Deans to develop College level insights ▪ Continue transition of model to Provost's Office 	<ul style="list-style-type: none"> ▪ Discuss roadmap and opportunity timelines and select business cases for implementation ▪ Confirm project governance structure for opportunities to implement and develop communication plan and change management strategy ▪ Continue to update and adjust implementation roadmap to track progress to intended outcomes 	<ul style="list-style-type: none"> ▪ Provide ongoing support and coaching to Deans' and other University leadership ▪ Continue to discuss potential impacts of budget model and academic portfolio on College-level operations ▪ Provide guidance on how to prepare to operate in new budget model

As requested, Huron will welcome the opportunity to continue provide updates to the Deans.



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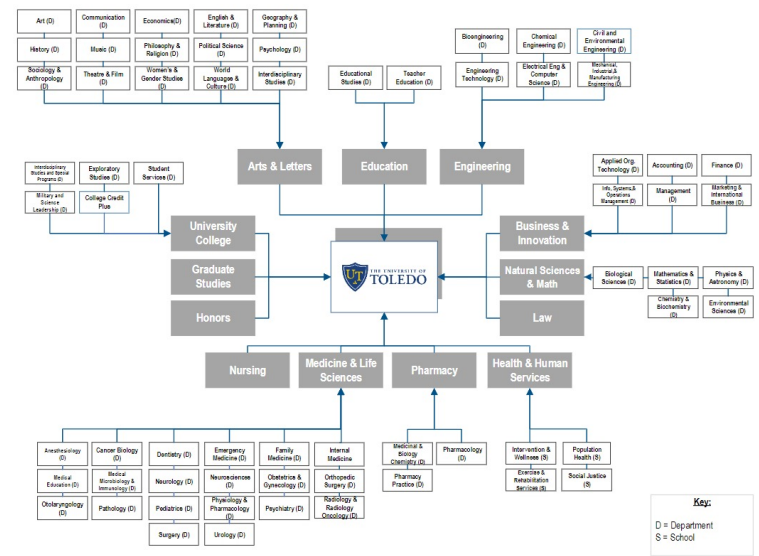


HURON

Academic Resource Optimization Opportunities

Huron encourages academic leadership to consider the potential benefits and unique challenges that each opportunity presents for an individual academic unit, the University, and the surrounding region and community.

Opportunity Component	Detail
College Economics Target reductions in overall cost per credit hour across departments	<ul style="list-style-type: none"> • Direct Costs (Faculty Compensation, teaching component) • Indirect Costs (Other faculty effort, academic overhead) • Credit hour production and program completions
Course Utilization Dictate the headcount per section expected from each unit	<ul style="list-style-type: none"> • Median section size 19 students • 48% of in-load sections fell below the median • Higher enrollment per section results in reduced costs
Faculty Productivity Increase expectations for credit hour production from tenure-line faculty	<ul style="list-style-type: none"> • Full time, non-tenured faculty produced 102% more credits than tenure-line faculty in AY19-20 • Increasing productivity may reduce hiring needs for extra instructors
Program Productivity Evaluate purpose of each academic unit according to service orientation	<ul style="list-style-type: none"> • 24 academic departments produced >50% of their credit hours through 5 or fewer course codes • These departments also had fewer average degree completions
Department Overhead Reduce faculty administrative tasks and share administrative services	<ul style="list-style-type: none"> • Median college/department overhead per credit was \$209 • 21 departments fall above the median overhead proportions • Targeting the median could yield significant savings

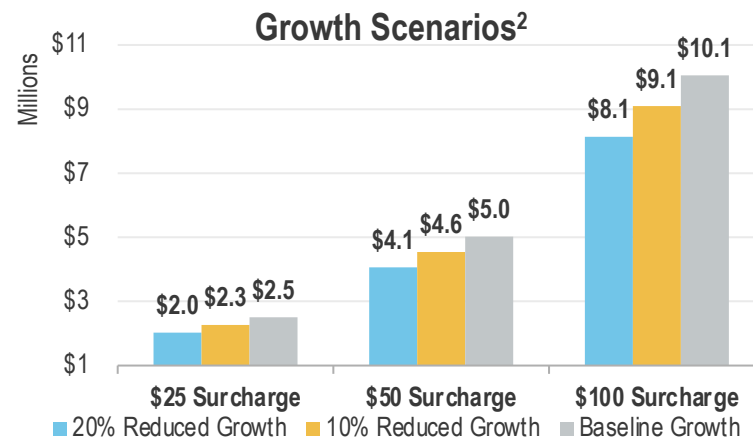


Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Academic Affairs	Academic Resource Optimization	\$3.2M	\$6.9M	●	●

Pricing Strategy: Differential Tuition

Differential tuition has gained popularity throughout higher education as demand continues to increase for high-ROI but expensive academic programs.

Opportunity Component	Detail
State Restrictions Develop proposal for the establishment of new special fees	<ul style="list-style-type: none"> A program-specific fee would not be restricted by tuition rules Ohio Department of Higher Education allows for the petition of new and increased special purpose fees at the undergraduate level
Peer Pricing Ensure competitiveness with peers with regard to UG pricing	<ul style="list-style-type: none"> 18 identified peers (direct/Ohio/aspirational/Conference peers) have differential tuition in some form UToledo currently sits near the median of baseline tuition charges
Scenarios Conduct sensitivity analysis and plan for range of scenarios	<ul style="list-style-type: none"> Break-even loss of students could reach up to 45% of class without losing revenues More realistically, UToledo could expect consistent or slightly diminished growth in enrollment, and significant revenue increases
Fees Use opportunity to increase and consolidate student fees	<ul style="list-style-type: none"> UToledo had previously developed recommended adjustments to student fees for simplification of undergraduate bills Compared to peers, UToledo's fee structure is competitive

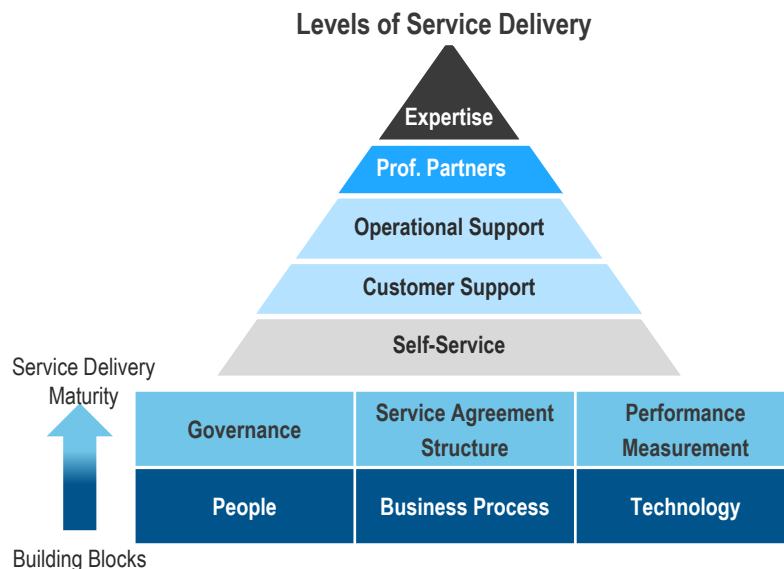


Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Bursar	Tuition Differentials	\$2.0M	\$10.1M	●	●

Healthcare: Health System Contribution

Annually, the Health System consumes ~\$17M in services from the University. There is a significant amount of cost recovery to be obtained after considering net cross charges and other recent agreements.

Opportunity Component	Detail
Services Provided Maintain inventory & quantify costs of services exchanged.	<ul style="list-style-type: none"> 20+ services exchanged between UT and UTMC Examples: HR, IT, Finance, Facilities, Environmental, etc. Majority of services provided by UT to UTMC
Service Delivery Determine level of service delivery and build to maturity.	<ul style="list-style-type: none"> Foundation: People, Process and Technology Maturity: Governance, Service Agreement structure & Performance Measurement.
Governance Infrastructure Determine appropriate governance structure/model based on needs.	<ul style="list-style-type: none"> Increased transparency, visibility, & capacity Standardization of policies & procedures Consistent service experiences Cost control
Guiding Principles Develop shared services model around four key values	<ul style="list-style-type: none"> Shared Governance Enterprise-Wide Success Cost Transparency Enhanced Customer Service
Charter & SLAs Refer to best practices for establishing governance	<ul style="list-style-type: none"> Establish Governance (Charter & Executive Committee) Establish Service Level Agreements



Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Hospital	Services Contribution	\$2.5M	\$9.9M	●	●

1. The Net amounts accounts for services provided by the clinical enterprise to support University operations

Enrollment: Developing Integrated Strategy

Multiple turnovers of enrollment leadership and lack of long-term strategic enrollment focus at UToledo has resulted in declining net tuition revenue as well as decreasing

Opportunity Component	Detail
Trends Analyze internal and external trends to identify gaps and prepare for future	<ul style="list-style-type: none"> UToledo's application volume has decreased among peer increases Headcount, net tuition revenue and credits decreased AY17-AY20 Target student populations are projected to decline in future
Yield Increase overall yield by targeting populations strategically	<ul style="list-style-type: none"> Nine primary local and regional counties have seen a steadily declining yield since AY19, suggesting a need for targeted efforts Connection, outreach and events may produce successful results
Financial Aid Adjust aiding strategy to attract and retain more students	<ul style="list-style-type: none"> Currently UToledo offers mostly merit aid, while need is less prioritized Retention increases at a greater rate for lower-GPA students (need-based) than for higher-GPA students (merit) according to aid amount
Strategic Enrollment Plan Develop and implement robust strategy across enrollment functions	<ul style="list-style-type: none"> Of the 14 best practices identified for Enrollment strategy, UToledo is developing in 7 and nascent in 4, with others not identified in the plan. Optimized plan elements will help to build a cohesive overall strategy
Key Enablers Focus on three foundational elements to build successful strategic plan	<ul style="list-style-type: none"> Cross-functional teaming and participation Data strategy & utilization Marketing and communications strategy

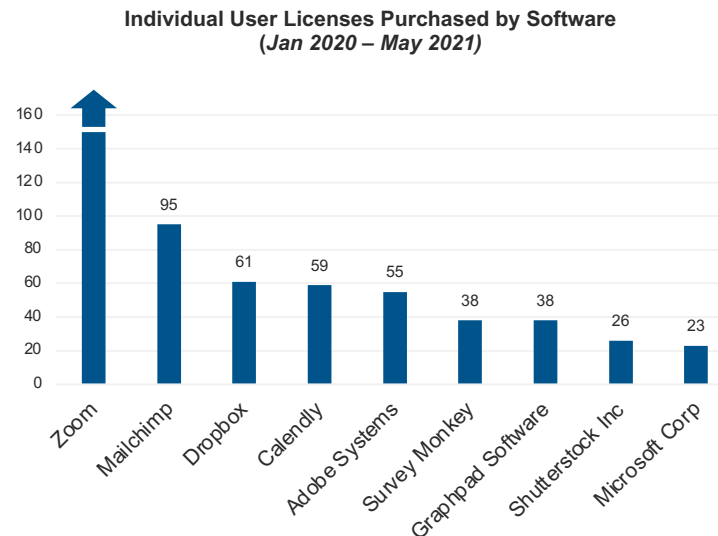
County	State	Fall 2018		Fall 2019		Fall 2020	
		Enrollees	Yield Rate	Enrollees	Yield Rate	Enrollees	Yield Rate
Lucas County	Ohio	1054	57.2%	909	53.5%	761	44.2%
Cuyahoga County	Ohio	153	17.1%	188	21.7%	126	13.8%
Wayne County	Michigan	127	17.6%	91	21.8%	61	12.9%
Monroe County	Michigan	260	46.3%	243	51.9%	196	47.7%
Franklin County	Ohio	62	13.7%	61	13.0%	56	11.3%
Wood County	Ohio	169	52.0%	150	47.5%	134	48.0%
Lorain County	Ohio	64	24.9%	68	25.9%	71	28.5%
Oakland County	Michigan	39	16.7%	59	25.8%	27	11.3%
Hamilton County	Ohio	38	17.4%	36	16.3%	16	9.7%
Summit County	Ohio	55	21.2%	48	22.1%	38	20.0%
Montgomery County	Ohio	52	26.1%	34	17.2%	27	13.6%
Washtenaw County	Michigan	54	27.4%	50	20.7%	35	18.6%
Lenawee County	Michigan	70	40.2%	32	34.4%	32	26.4%
Fulton County	Ohio	75	56.4%	76	50.7%	60	50.8%
Stark County	Ohio	31	21.5%	29	23.0%	9	12.5%
Medina County	Ohio	34	28.8%	33	26.8%	32	28.1%
Lake County	Ohio	29	23.8%	28	26.9%	18	21.7%
Macomb County	Michigan	28	25.9%	17	18.7%	23	23.7%
Cook County	Illinois	18	12.9%	3	3.4%	4	6.3%
Hancock County	Ohio	36	34.6%	46	40.7%	37	33.3%

Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Enrollment Management	Integrated Strategy	\$1.7M	\$6.0M	●	●

IT: Software

UToledo could benefit from an application and software utilization study focused on rationalizing the current footprint and reduce their overall software and support spend.

Opportunity Component	Detail
Value Drivers Enable opportunities to move to cloud-based technologies	<ul style="list-style-type: none"> Eliminate application portfolio clutter IT cost optimization Cloud migration readiness
Current State Spend Analyze and monitor IT spend by category to reduce costs	<ul style="list-style-type: none"> Annual spend of >\$15M across 5 primary categories Top category is Healthcare (\$9.3M on 56 products) Total 166 products and contracts used enterprise-wide
Rationalization Continue to analyze portfolio for optimization opportunities	<ul style="list-style-type: none"> IT has already canceled or replaced 17 products, saving \$590K Another 36 products have potential replacements totaling \$3.5M in savings of the \$14.5M in active tools and contracts
P-Card Purchases Eliminate redundant purchases by implementing policies for software	<ul style="list-style-type: none"> UToledo averages \$31K/month in off-contract end user licenses The top 10 pcard purchases revealed considerable overlap in function Purchasing agreements may help reduce transaction proliferations
Purchase & Use Standardization Consolidate solutions into enterprise agreements to lower costs	<ul style="list-style-type: none"> Video, communication & collaboration (6 products) Content, creation, storage & management (5 products) Survey, Marketing & Engagement (4 products) Teaching, Learning & Research Enablement (6 products)

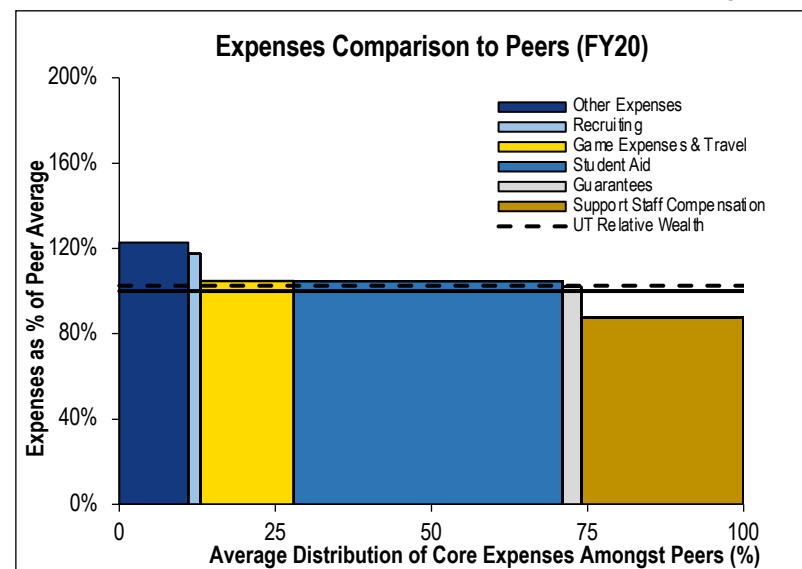


Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Information Technology	Applications & Software	\$1.6M	\$5.4M	●	●

Athletics: Athletics Expense (Continued Analysis)

Huron's continued analysis validated that UToledo spends more per athlete compared to identified peer subset; however, related opportunities should be evaluated in context of impact

Opportunity Component	Detail
Benefits & Philosophy Leverage athletics programs to serve institutional mission	<ul style="list-style-type: none"> • "Buy game" strategy and ticket sales are promising for UToledo • Increased brand awareness may lead to elevated enrollment demand • Maintaining engagement with community is crucial to success
Return on Investment Analyze and monitor per-participant investment for optimization	<ul style="list-style-type: none"> • Akron is lead contender in conference for investment per participant • UToledo slightly ahead of rest of conference at >\$90K • UToledo has one of highest average conference finish rates 2014-19
Savings Opportunities Determine validity and ease of implementing savings opportunities	<ul style="list-style-type: none"> • Financial Opportunity Sport (Men's Basketball) • Currently Underinvested Sport (Baseball) • Strategic Investment Sport (Women's Golf)
Peer Benchmarking Analyze peer expenditures to maintain competitive distribution	<ul style="list-style-type: none"> • UToledo operating budget (\$21M) is approximately 3% larger than peer average • UToledo spends similarly on Travel/Game/Student Aid expenses to peers, but proportionally less on staff compensation • "Other Expenses" are largest expenditure category at \$3M



Function	Opportunity	Financial Impact (Low)	Financial Impact (High)	Financial	Complexity
Athletics	Athletics Expense	\$690K	\$1.1M	●	●