



UNIVERSITY OF
SOUTH CAROLINA

Fall Provost's Retreat

September 28, 2018



Welcome



UNIVERSITY OF
SOUTH CAROLINA
Office of the Provost

Strategic Plan

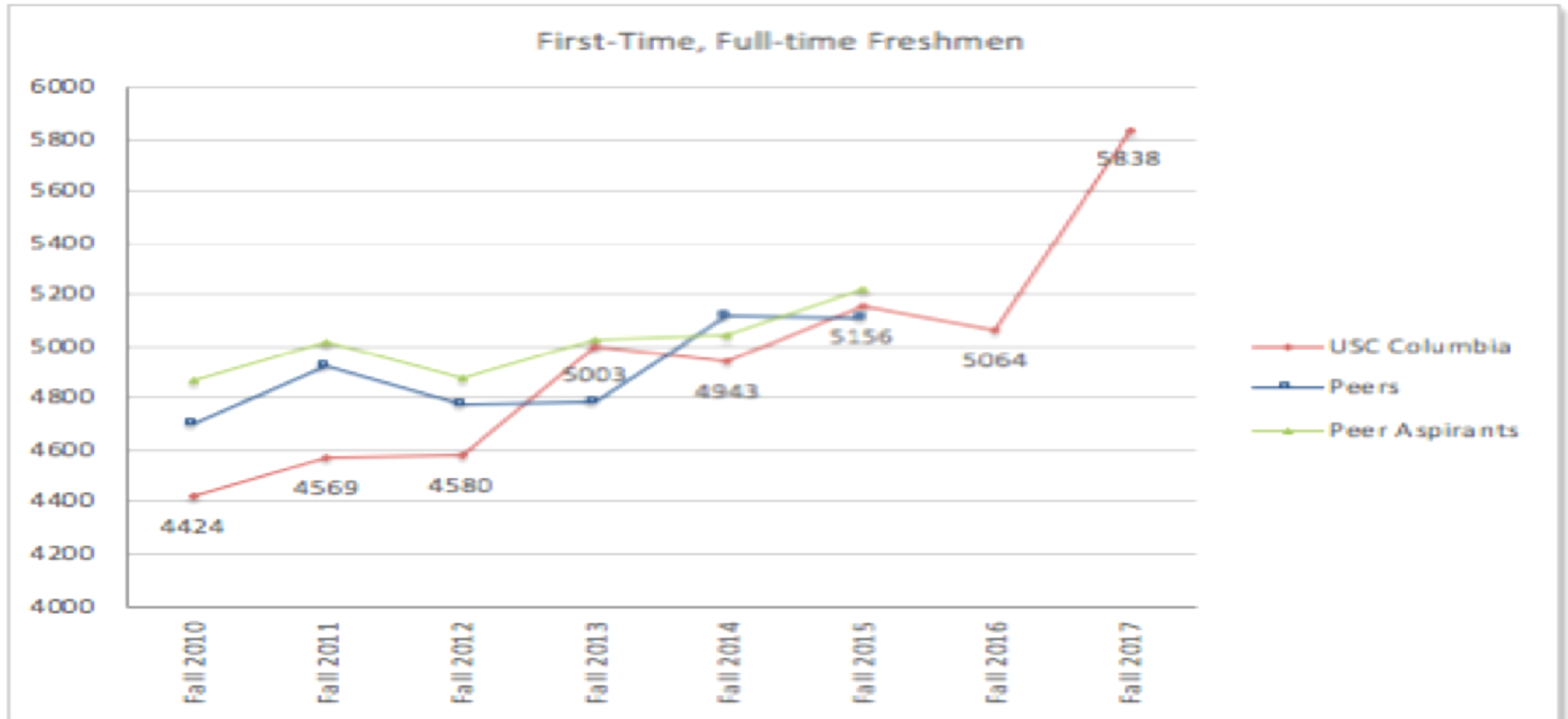
- [Focus Carolina 2023](#)



Dashboard

1

First-time, full-time freshmen



Strategic Plan Action Items

- [Blueprints](#)
- Arenas of Learning
 - [Galen](#)
 - [Rhodos](#)
- Excellence Initiative
- Sub plans
- Special Projects
 - Experiential Learning
 - [USCreativity](#)
 - Academic Innovation



Enrollment Management Update

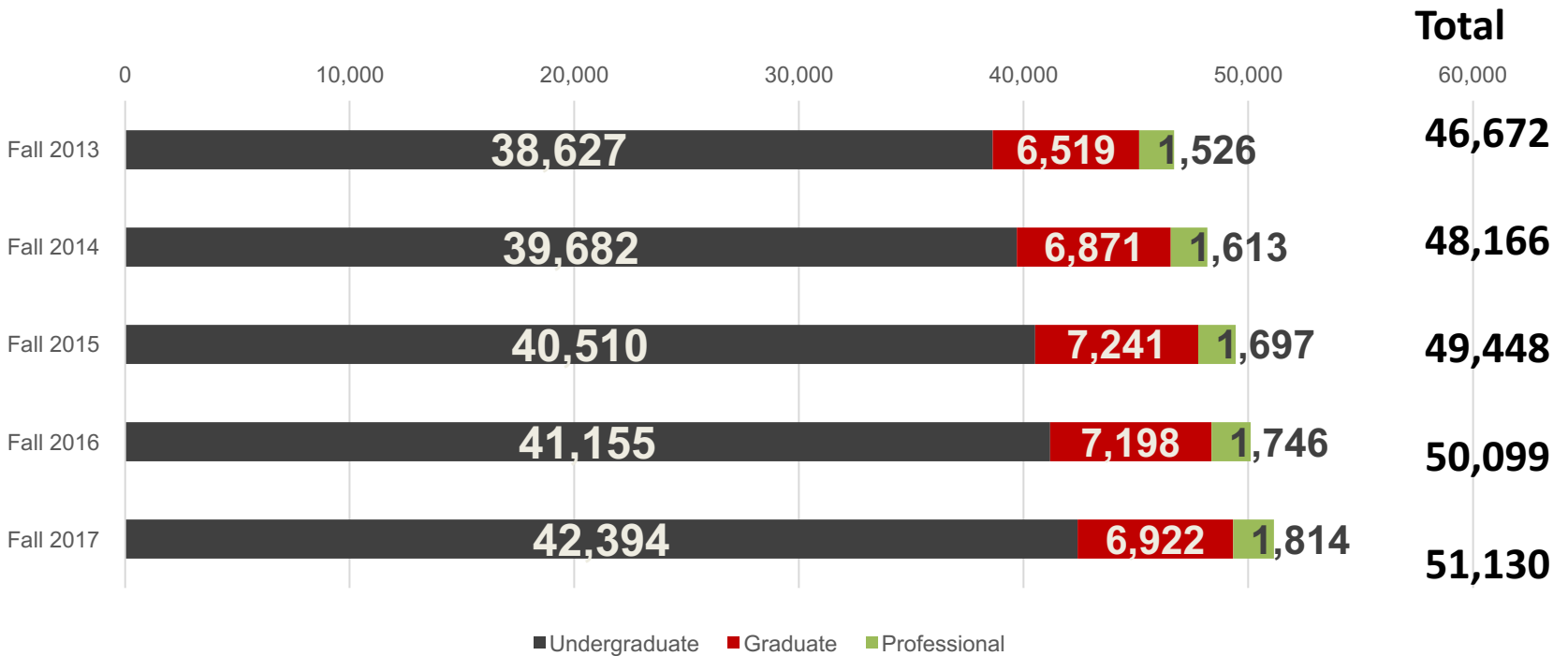


UNIVERSITY OF
SOUTH CAROLINA

Dennis Pruitt, Vice President for Student Affairs and Vice Provost

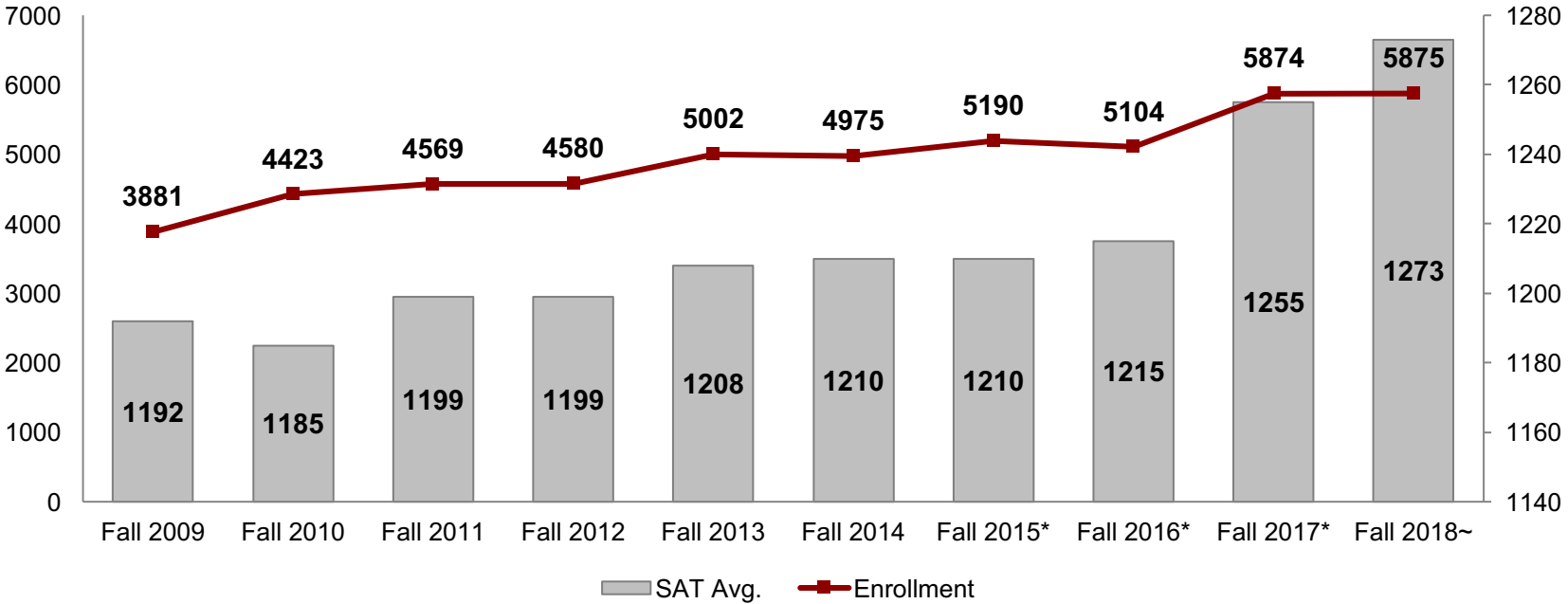
Stacey Bradley, Senior Associate Vice President for Student
Affairs and Academic Support

USC System Headcount Enrollment



Ten-Year Trend

SAT Average and Freshman Class Size



*Source: Admissions Annual Report
~Preliminary



Fall 2018 Admissions Funnel

**268,477
Prospects**

**85,727
Inquiries**

**30,938
Applications**

**19,478
Admits**

**5875
Enrolled

*Projected



Top 10 States Fall 2018

South Carolina
North Carolina
Virginia
Georgia
Maryland
New Jersey
Pennsylvania
New York
Illinois
Massachusetts



Freshman Class Percentage by College/School Summer/Fall 2018

College of Arts and Sciences	33%
Darla Moore School of Business	24%
College of Engineering and Computing	13%
College of Nursing	7%
Arnold School of Public Health	7%
College Hospitality, Retail and Sport Management	6%
College of Information & Communications	4%
College of Pharmacy	3%
College of Education	2%
School of Music	1%
College of Social Work	<1%



Freshman Class Top Majors Summer/Fall 2018

Biological Sciences	Exercise Science
Nursing	Mechanical Engineering
Undecided	Experimental Psychology
Business Undecided	Pharmaceutical Sciences
International Business	Public Health
Sport and Entertainment Management	Political Science

12 majors account for 55% of the freshman class!



GAMECOCK ← GATEWAY

PROGRAM ENROLLMENT



2017-2018 COHORT ENROLLED STUDENTS

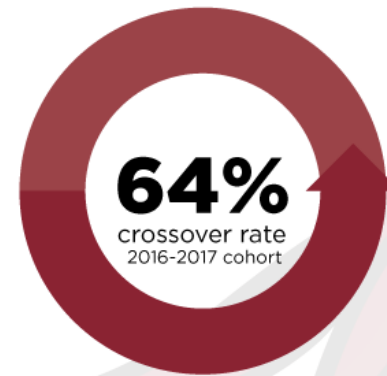
25% out of state students



30 out of 46 of SC counties represented in 2017-2018 cohort



PROGRAM RESULTS



PROGRAM DEMOGRAPHICS

2012-2013 61% White 23% African American 5% Two or More Races
49% **51%** 4% Asian 3% Hispanic 1% American Indian/Alaskan Native
WOMEN **MEN** Avg. SAT: 1014 Avg. ACT: 21

2013-2014 65% White 24% African American 5% Two or More Races
62% **38%** 5% Hispanic <1% Asian <1% Native Hawaiian/Pacific Islander
WOMEN **MEN** Avg. SAT: 1015 Avg. ACT: 20

2014-2015 60% White 27% African American 4% Two or More Races
53% **47%** 4% Hispanic 4% Asian <1% Native Hawaiian/Pacific Islander
WOMEN **MEN** Avg. SAT: 975 Avg. ACT: 20

2015-2016 67% White 20% African American <1% Two or More Races
51% **49%** 2% Hispanic 4% Asian <1% Native Hawaiian/Pacific Islander
WOMEN **MEN** Avg. SAT: 991 Avg. ACT: 21

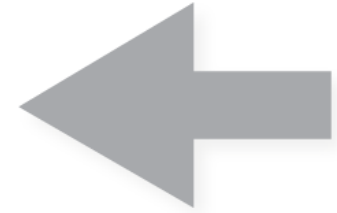
2016-2017 70% White 16% African American 4% Two or More Races
51% **49%** 5% Hispanic 4% Asian <1% Native Hawaiian/Pacific Islander
WOMEN **MEN** Avg. SAT: 990 Avg. ACT: 21

2017-2018 74% White 11% African American 5% Two or More Races
50% **50%** 6% Hispanic 3% Asian <1% Native Hawaiian/Pacific Islander
WOMEN **MEN** Avg. SAT: 1075 Avg. ACT: 21

Gamecock Guarantee

1,098

students served
2008-2016



Selection Procedures

1. SC Resident
2. Regular USC acceptance
3. Parents not 4-yr degree holders
4. Eligible for full Pell Grant

Program Benefits

1. At least \$4,500 award
2. Support of a learning community
3. Guarantee of full grant support for tuition & technology fee

Profile of 2016 Recipients

 **\$19,925**
Average Family Income

 **43%** **MEN**  **57%** **WOMEN**

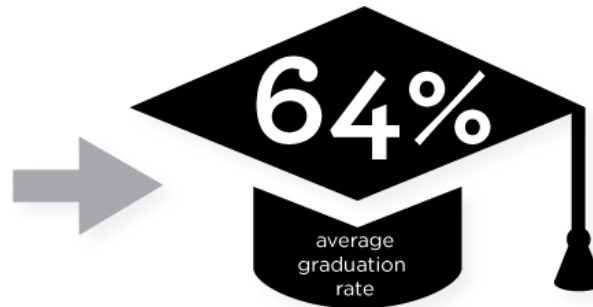
Race

White: **47%** Black: **30%** Other: **23%**

Freshman Profile

Gift Aid as Percent of Total Award: **95%**
(**49%** overall freshmen)

Loans as a Percent of Total Award: **5%**
(**51%** overall freshmen)



Freshman to sophomore retention rate:

94%

Freshman and Undergraduate Totals 1988-2018

	1988	2003	2018*	Growth Since 1988
Freshmen	3,037	3,491	5,875	93%
SAT	975	1145	1273	+298 points
Total UG Enrollment	15,962	17,133	26,000	63%



2018 Projected Freshman Profile

	All Freshmen	Honors	Capstone	Gateway
Count	5875	569	1300	430
SAT	1273	1491	1373	1075
ACT	27.9	32.9	30.2	20.9
WCGPA	4.1	4.7	4.4	3.3

THE QUINFECTA ACHIEVED



DIVERSITY EXPLOSION



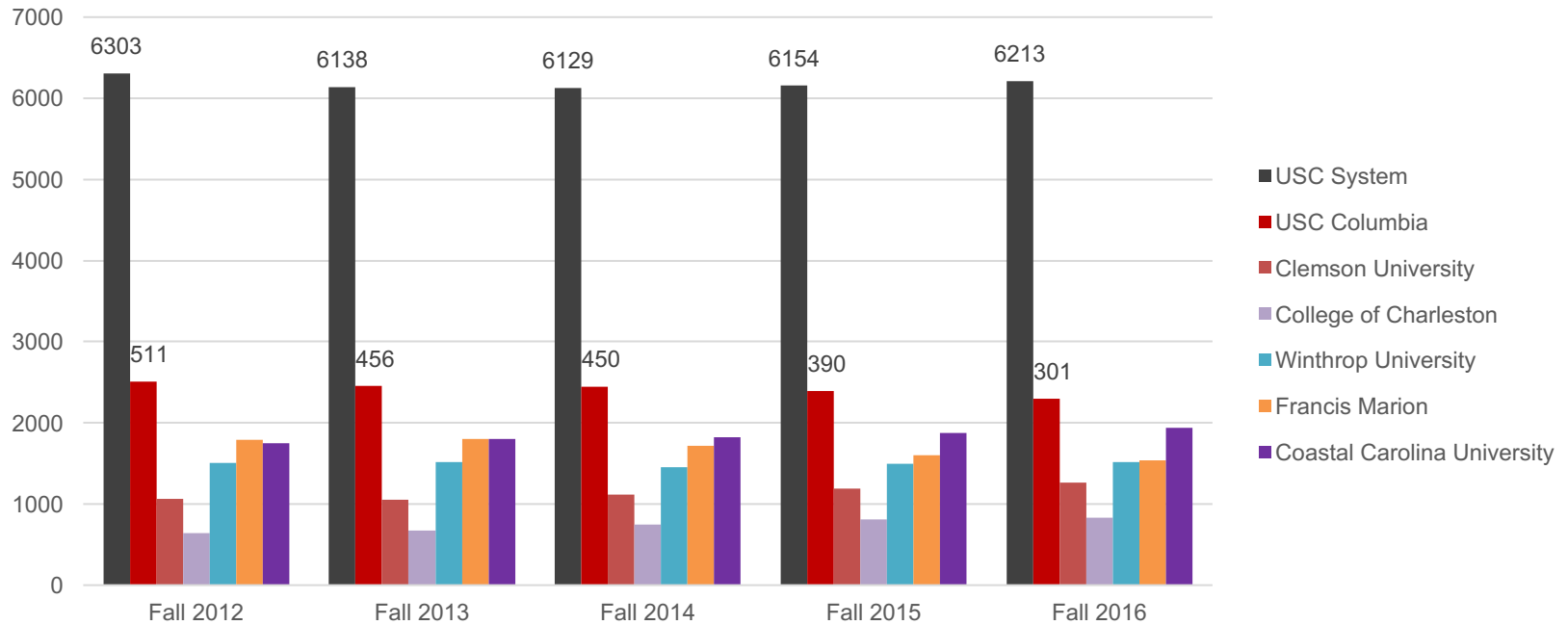
HOW NEW RACIAL DEMOGRAPHICS
ARE REMAKING AMERICA

WILLIAM H. FREY



UNIVERSITY OF
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Office of the Provost

African American FT Enrollment at SC Institutions



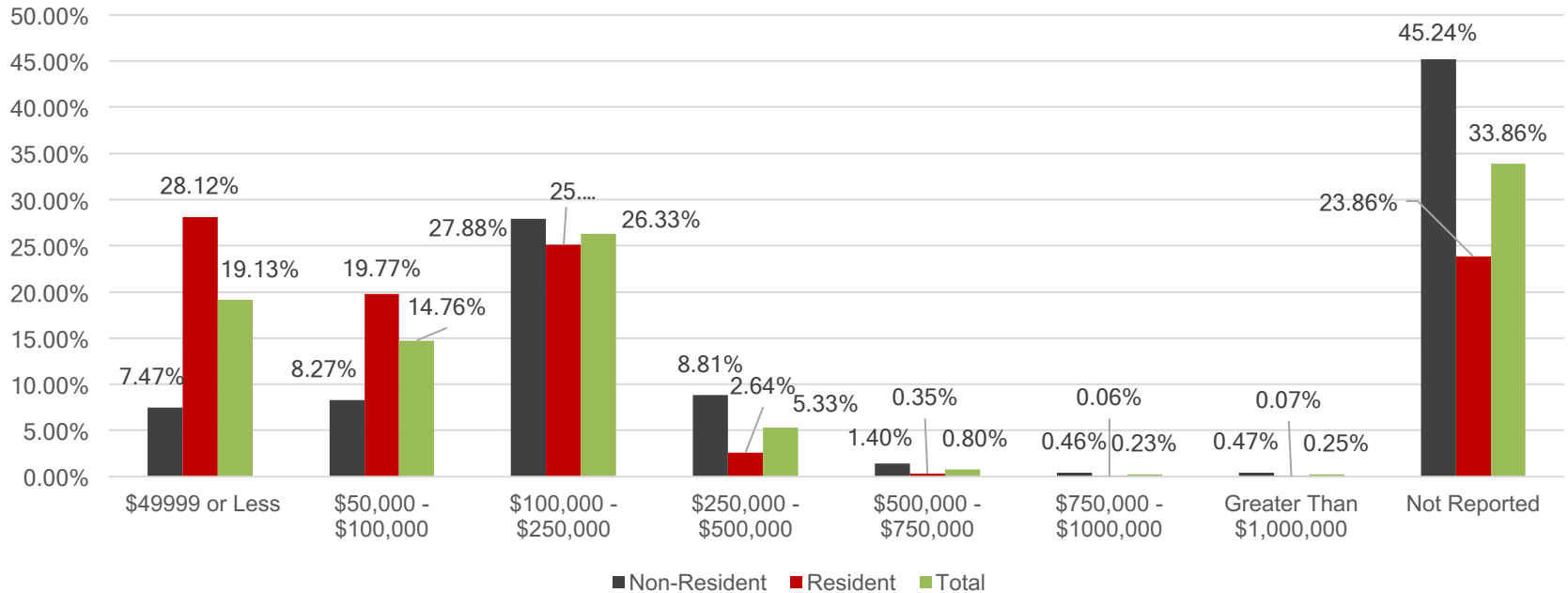
More about the Freshman Class

- Emily and Matthew – Most popular names
- 51% from South Carolina
- 54% Female
- 18% URM
- 36 sets of twins
- 56 Valedictorians
- 1700+ high schools
- 44 states and territories, including District of Columbia and 40 countries



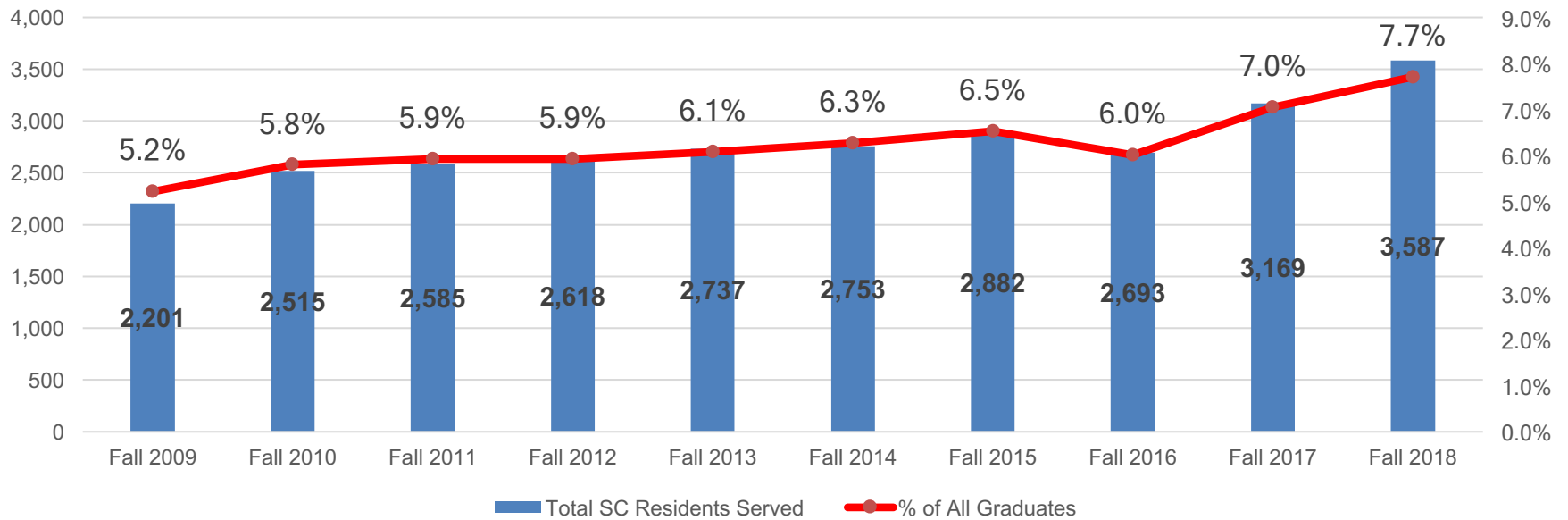
Adjusted Gross Family Income

Fall 2017



USC-Columbia SC market share is increasing

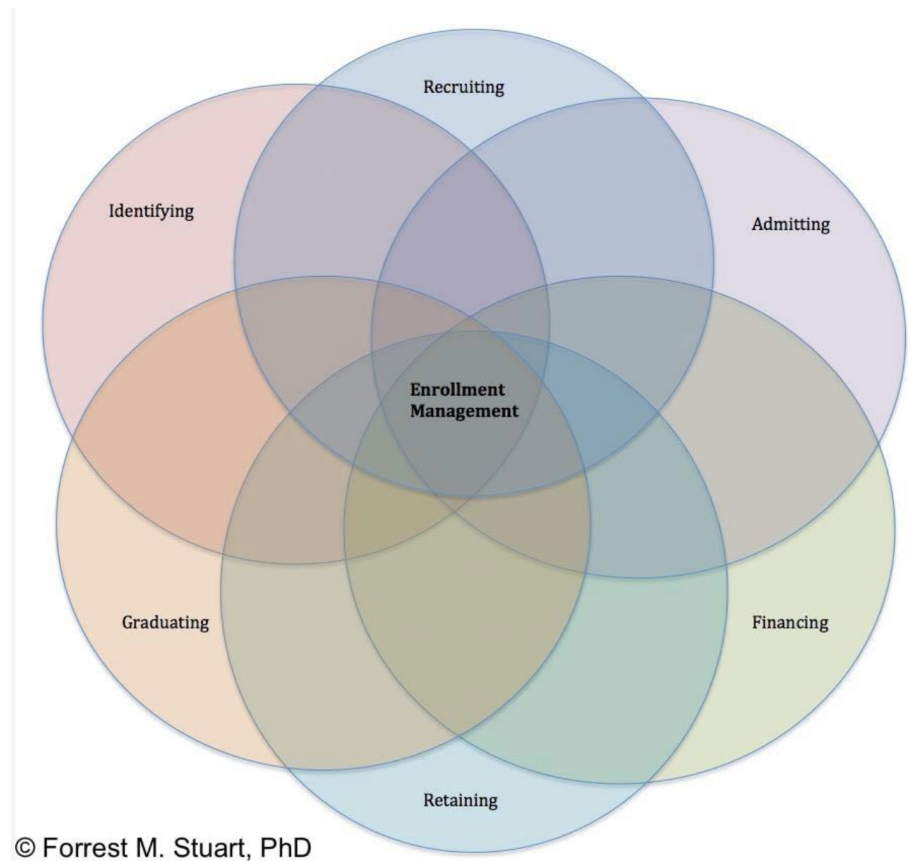
South Carolina High School Graduates Served on Columbia Campus (Freshmen + Gateway)
Fall 2009 - Fall 2018



Source: WICHE, UG Admissions Annual Reports



What is Enrollment Management?



Next Challenge

- Maintain our enrollment
 - FT FT students
 - Transfer students
 - International students
- Increase Retention Rates
- Maintain “admissions moat”
- Seek state allocations
- Seek state need based and merit aid for public higher education
- State Bond Bill(s)



Why?



Historic Public Higher Education Funding Model



Column

College students predicted to fall by more than 15% after the year 2025

But high demand likely to persist for top 100 elite institutions

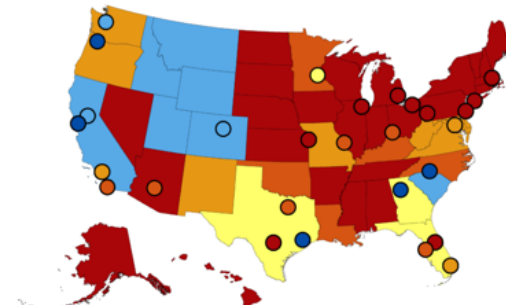
**Proof Points**

Column by JILL BARSHAY

September 10, 2018

What does the declining birthrate mean for colleges and universities and the students who hope to get a college degree a decade from now? The answer depends on where you live in the United States and how selective the college is. For most colleges and universities, the outlook is grim. But that could be a good thing for their future students.

Nathan Grawe, an economist at Carleton College in Minnesota, predicts that the college-going population will drop by 15 percent between 2025 and 2029 and continue to decline by



The business model for higher education is crumbling – is the academic/teaching/learning model crumbling as well?



“Every few hundred years throughout Western history, a sharp transformation has occurred. In a matter of decades, society altogether rearranges itself – its worldview, its basic values, its social and political structures, its art, its key institutions. Fifty years later a new world exists. And the people born into that world cannot even imagine the world in which their grandparents lived and into which their own parents were born. Our age is such a period of transformation.”

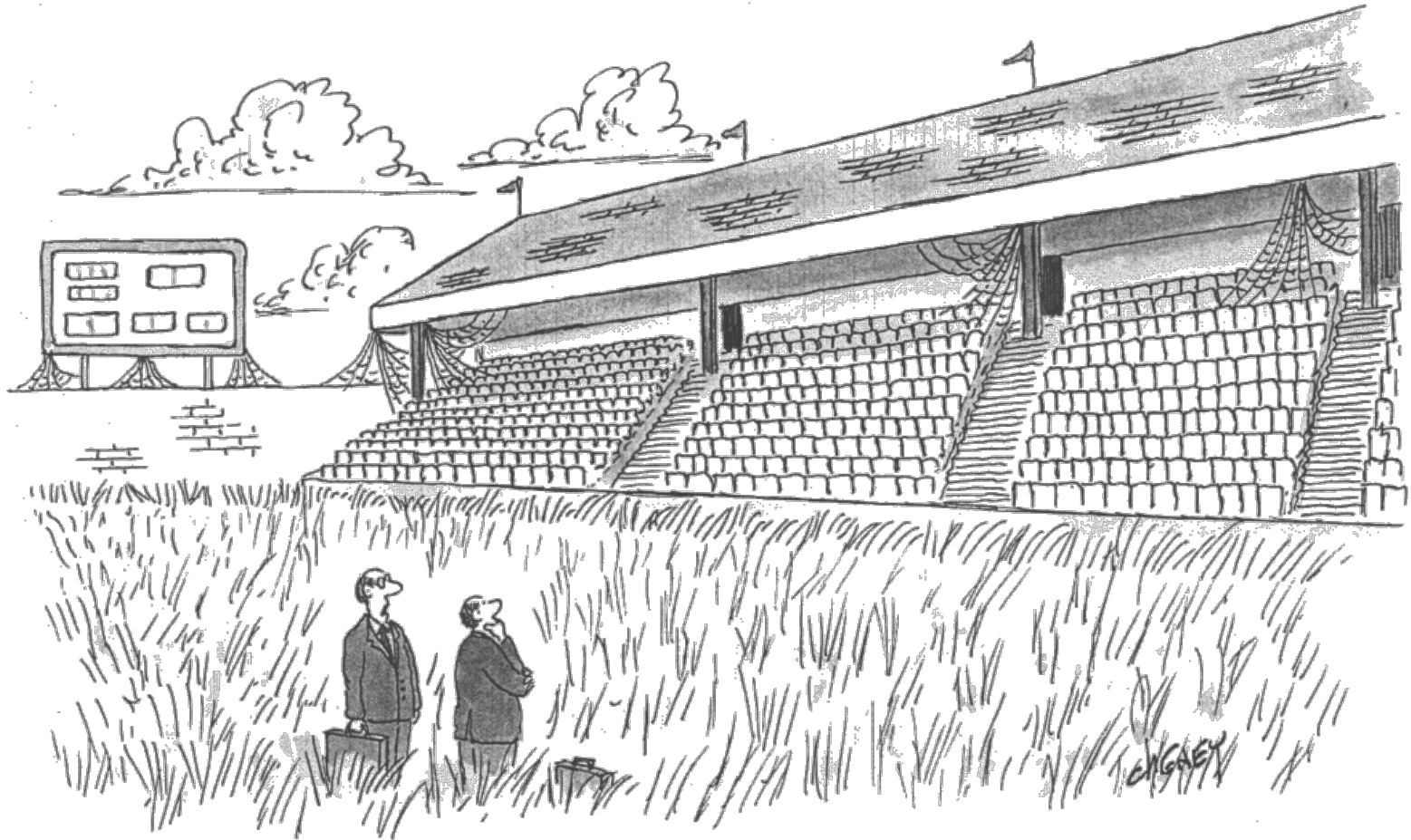
– **Peter Drucker**



“A ‘**crumbling paradigm**’ is a condition in which an institution or industry has outlasted its operating assumptions. The condition is detected when the business or the mission results of an industry or a company within an industry are flat or declining while more and more resources are consumed. When this happens, the institution or industry goes into an irreversible decline until a new operating model takes its place.”

Source: Gartner (Lopez), 2013





"PERHAPS OUR STRATEGIC PLAN SHOULD NOT HAVE INCLUDED THE PHRASE: 'IF YOU BUILD IT THEY WILL COME.'"

CARTOON BY TOM CHENEY, CARTOON BANK

ART & SCIENCE GROUP



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In the Growth Years of Higher Education; Each year colleges and universities saw....

- More state appropriations
- Increased student enrollments provided net tuition gains each year
- Often had sizable tuition increases – followed recently by sizable “other fees” as well
- Funded facilities and deferred maintenance via state funded bond bills
- Generated dramatic increases in research grants and indirect costs
- Benefitted from auxiliary services that were self-sustaining



And.....

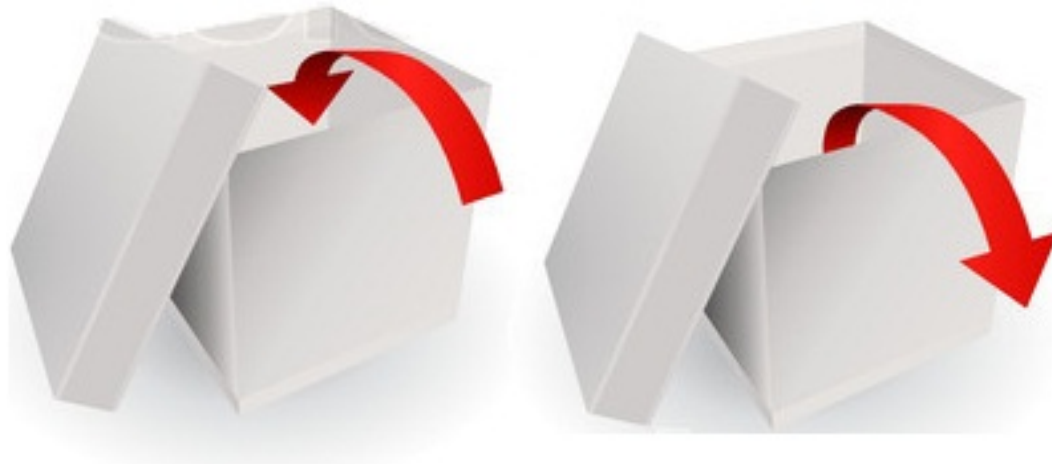
Historically did not have to respond to:

- public dissatisfaction with public higher education at state and federal levels and yearly reductions in support
- increasingly debt averse families and students – who had neither the willingness or the ability to fund one's education without debt
- new expenses – technology, student support, facilities, compliance to regulations, merit and need based financial aid, among other expenses
- admissions competition fueled by reductions in the number of high school graduates and international students
- admissions competition for graduate and law school students – resulting from changing labor needs and a robust economy



New Performance Metrics

Input to Output



New Performance Criteria

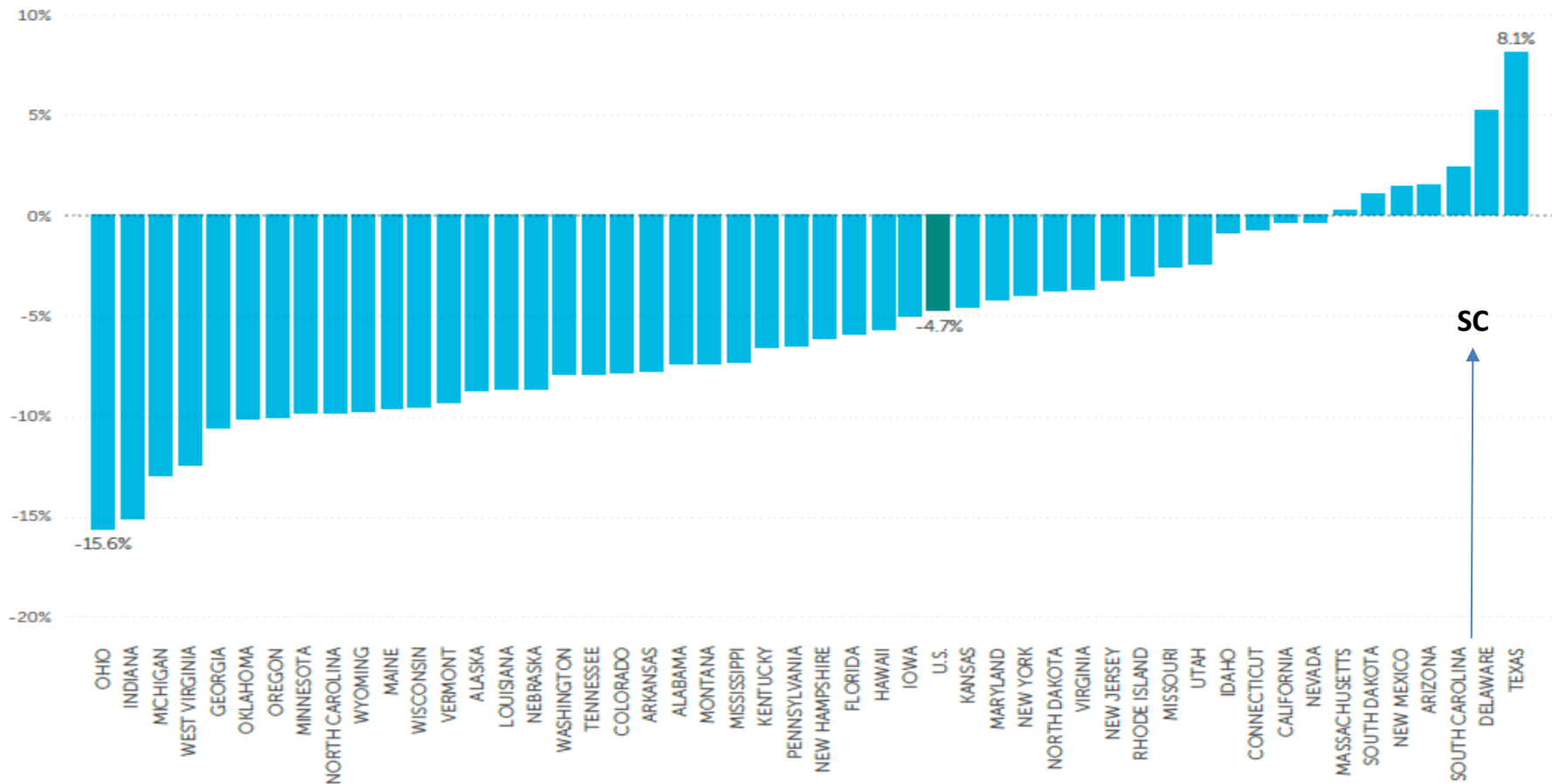
- Freshman to sophomore retention rates
- Sophomore to senior persistence rates
- Graduation rates
- Length of time to degree
- Placement
- Gainful employment
- Manageable debt
- Institutional default rates
- Life-long learner
- # of Pell Grant recipients graduated
- **Value added**

NEXT:

- **Transferability**
- **Retention Rates**
(delivering on the promise)



FIGURE 11
PUBLIC HIGHER EDUCATION FULL-TIME EQUIVALENT (FTE) ENROLLMENT:
PERCENT CHANGE, FY 2011-2016



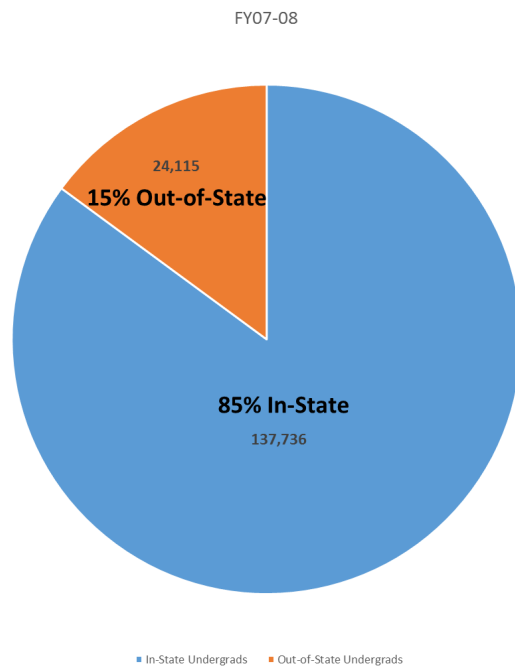
Excludes Illinois

NOTE: Full-time equivalent enrollment equates student credit hours to full-time, academic year students, but excludes medical students.

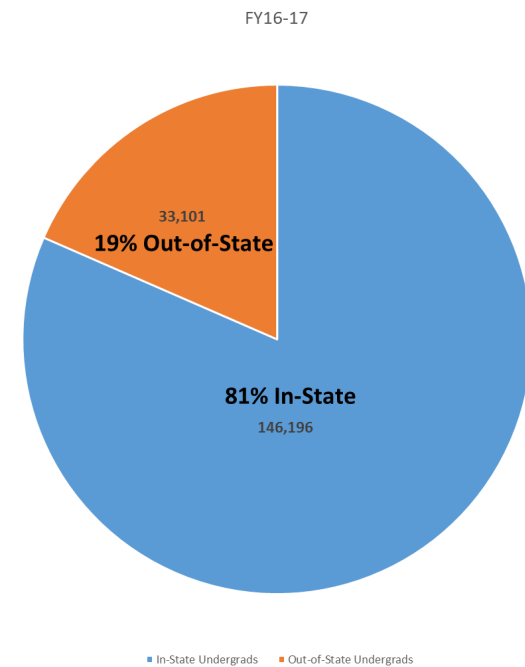
SOURCE: State Higher Education Executive Officers



Filling the Pie...Out-of-State Students a Growing Ingredient?



Since FY08, undergraduate student enrollment at SC's public colleges and universities has increased, on average, just over 1.1% per year. But that overall rate of growth has been driven by an influx of out-of-state students, which increased by more than 37% between FY08 and FY17. In contrast, enrollment growth of SC residents was relatively flat over that period, averaging just 0.66% per year.



Source: SFC Fall 2017 Higher Ed Survey

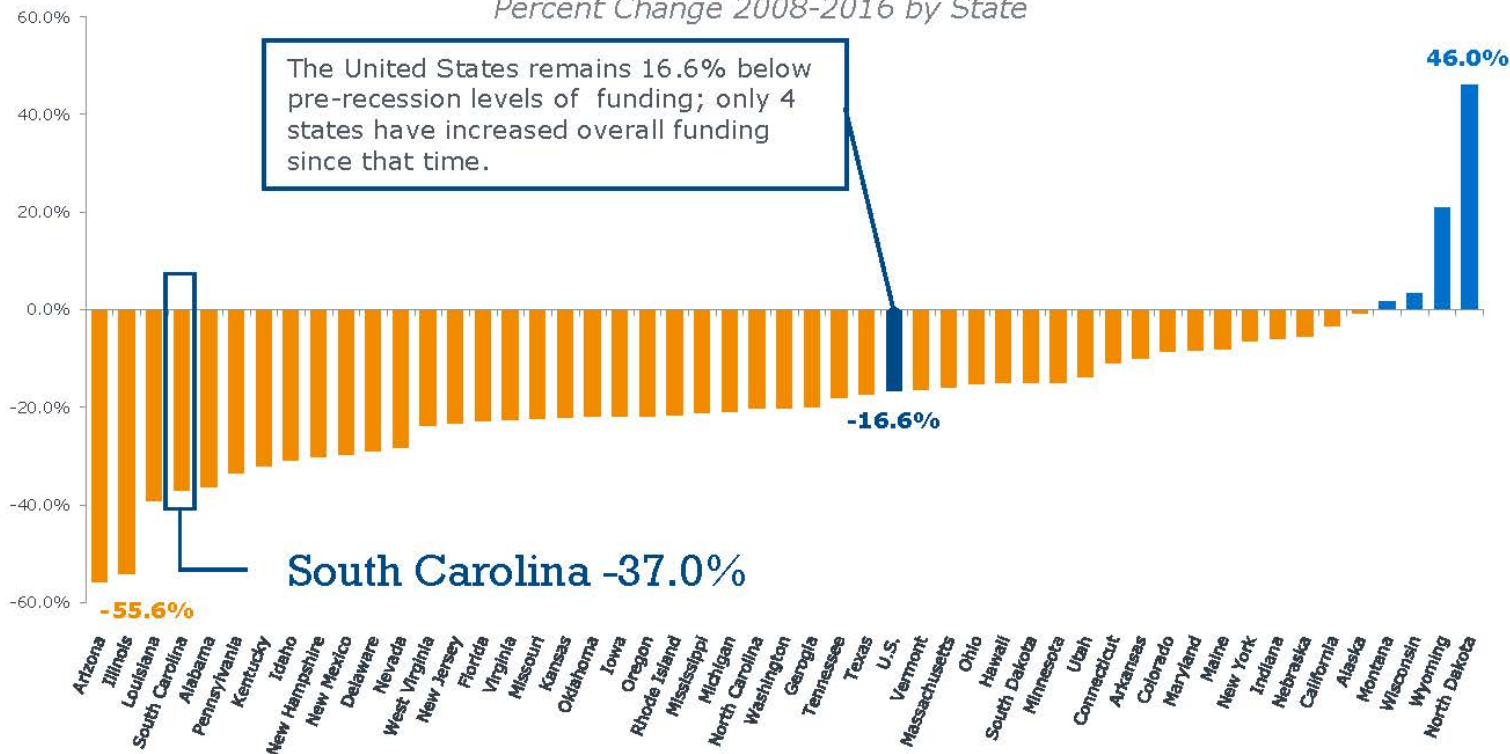


What Comes Next?

Despite Growth, State Appropriations Still Below Peak Levels

Educational Appropriations Per FTE

Percent Change 2008-2016 by State

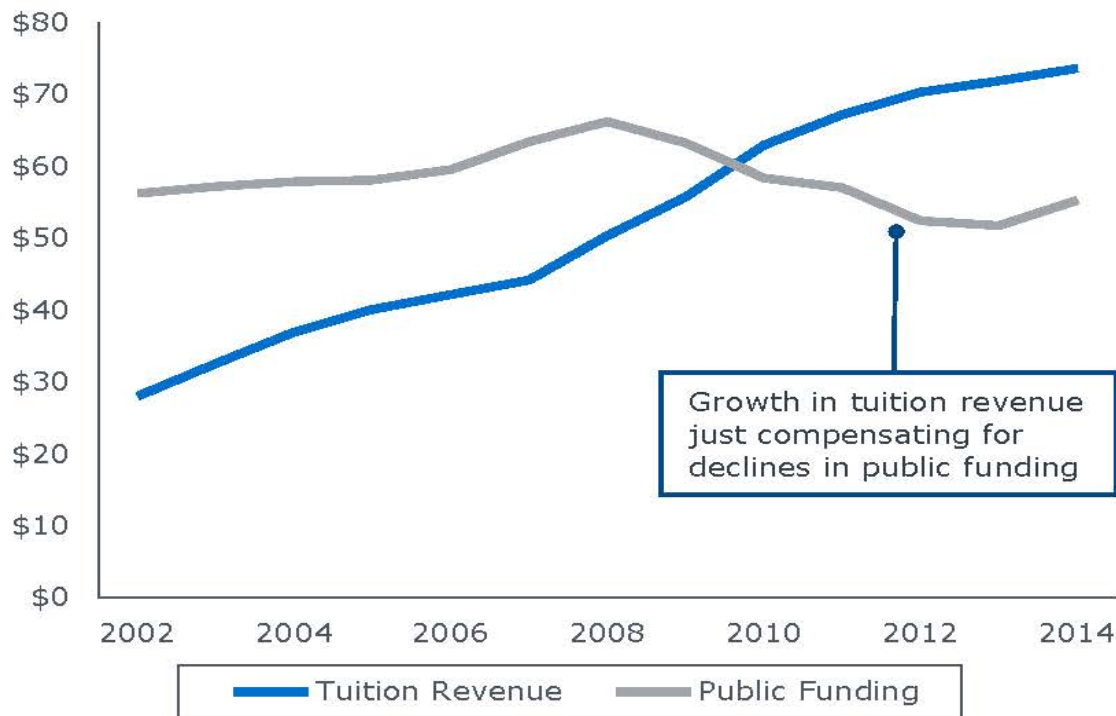


Declining State Funding Exacerbates Challenges

Revenues at Publics Maintained by Growth in Tuition Revenues

Tuition Growth at Publics Offsets Declining State Funding

Institutional Revenue by Source, 2002-2014, in 2016 Billions of Dollars



Other Revenue Sources Not Helping Out

-\$2086

average decrease in state appropriations per capita between 2002-2014

-4.3%

decrease in research funding at **public** four-years

Sources: Goldie Blumenstyk, "State Spending on Higher Education Shows 'Sizable' Increase," *The Chronicle of Higher Education*, Apr. 13, 2015; IPEDS Database, National Center for Education Statistics; Dan White and Sarah Crane, "Crowded Out: The Outlook for State Higher Education Spending," *Moody's Analytics*, Apr. 21, 2015; EAB Analysis.

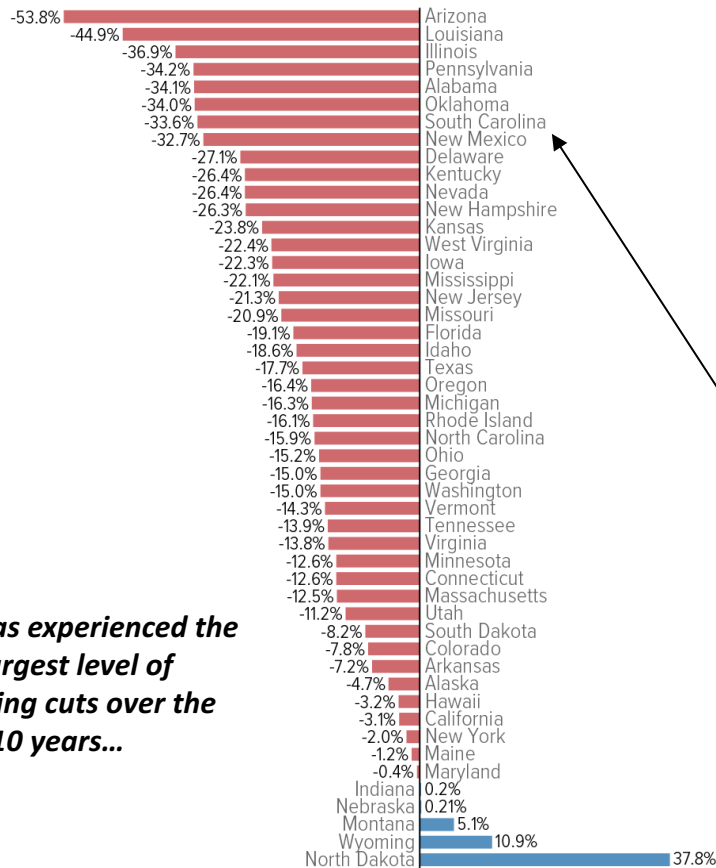


Funding Down – Tuition Up: A National Perspective

How does South Carolina Compare?

State Funding for Higher Education Remains Far Below Pre-Recession Levels in Most States

Percent change in state spending per student, inflation adjusted, 2008-2017



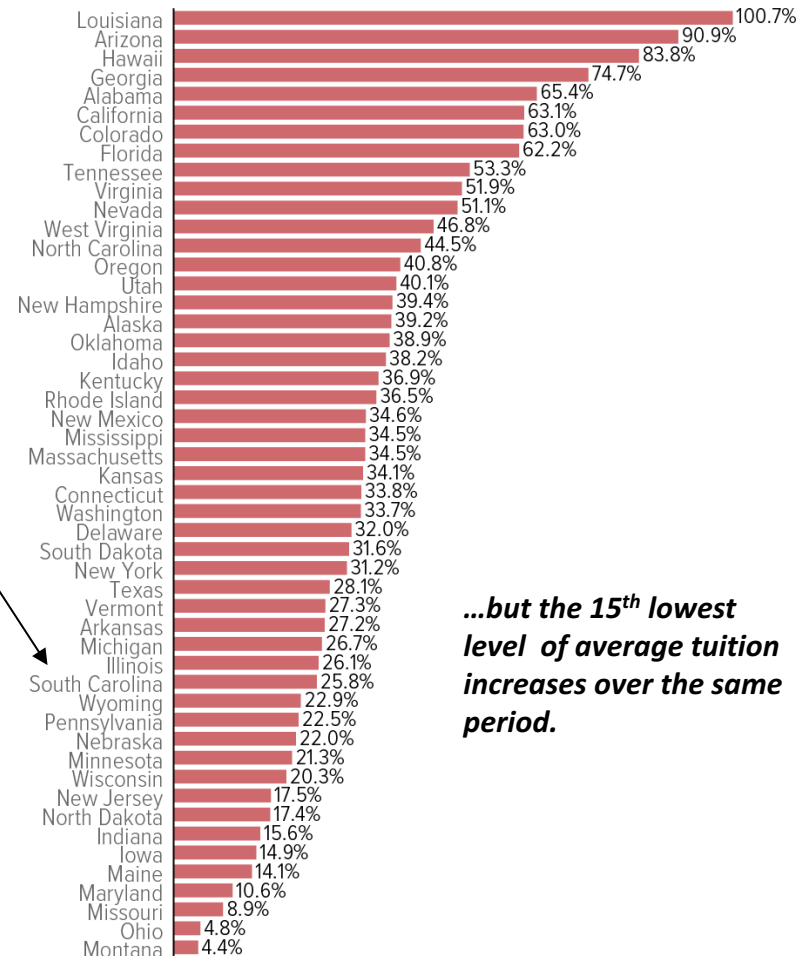
SC has experienced the 7th largest level of funding cuts over the last 10 years...

Note: Wisconsin was excluded because the data necessary to make a valid comparison are not available. Since enrollment data is only available through the 2015-16 school year, we have estimated enrollment for the 2016-17 school year using data from past years.

Source: CBPP calculations using the "Grapevine" higher education appropriations data from Illinois State University, enrollment and combined state and local funding data from the State Higher Education Executive Officers Association, and the Consumer Price Index, published by the Bureau of Labor Statistics. Illinois funding data is provided by Voices for Illinois Children.

Tuition Has Increased Sharply at Public Colleges and Universities

Percent change in average tuition at public, four-year colleges, inflation adjusted, 2008-2017



...but the 15th lowest level of average tuition increases over the same period.

Source: College Board, "Trends in College Pricing," 2016. Years are fiscal years.

When First is (Near) Last?

A Comparison of Tuition and State Support

State	Median Tuition 4-Year Public College (FY15)	Rank	State	Rank	State Support (Per Capita FY15)*
South Carolina	\$10,383	1	North Carolina	1	\$388
Virginia	\$10,317	2	Maryland	2	\$358
Delaware	\$9,839	3	Mississippi	3	\$355
Alabama	\$9,088	4	Arkansas	4	\$344
Kentucky	\$8,388	5	Alabama	5	\$303
Tennessee	\$8,024	6	Texas	6	\$301
Maryland	\$8,018	7	Georgia	7	\$284
Texas	\$7,648	8	Oklahoma	8	\$281
Arkansas	\$7,609	9	West Virginia	9	\$274
Georgia	\$6,857	10	Kentucky	10	\$271
Louisiana	\$6,728	11	Delaware	11	\$240
West Virginia	\$6,417	12	Louisiana	12	\$240
Mississippi	\$6,401	13	Tennessee	13	\$239
Florida	\$6,359	14	Virginia	14	\$219
	\$6,277		South Carolina		
North Carolina		15		15	\$212
Oklahoma	\$5,688	16	Florida	16	\$208

Source: SREB and SHEEO

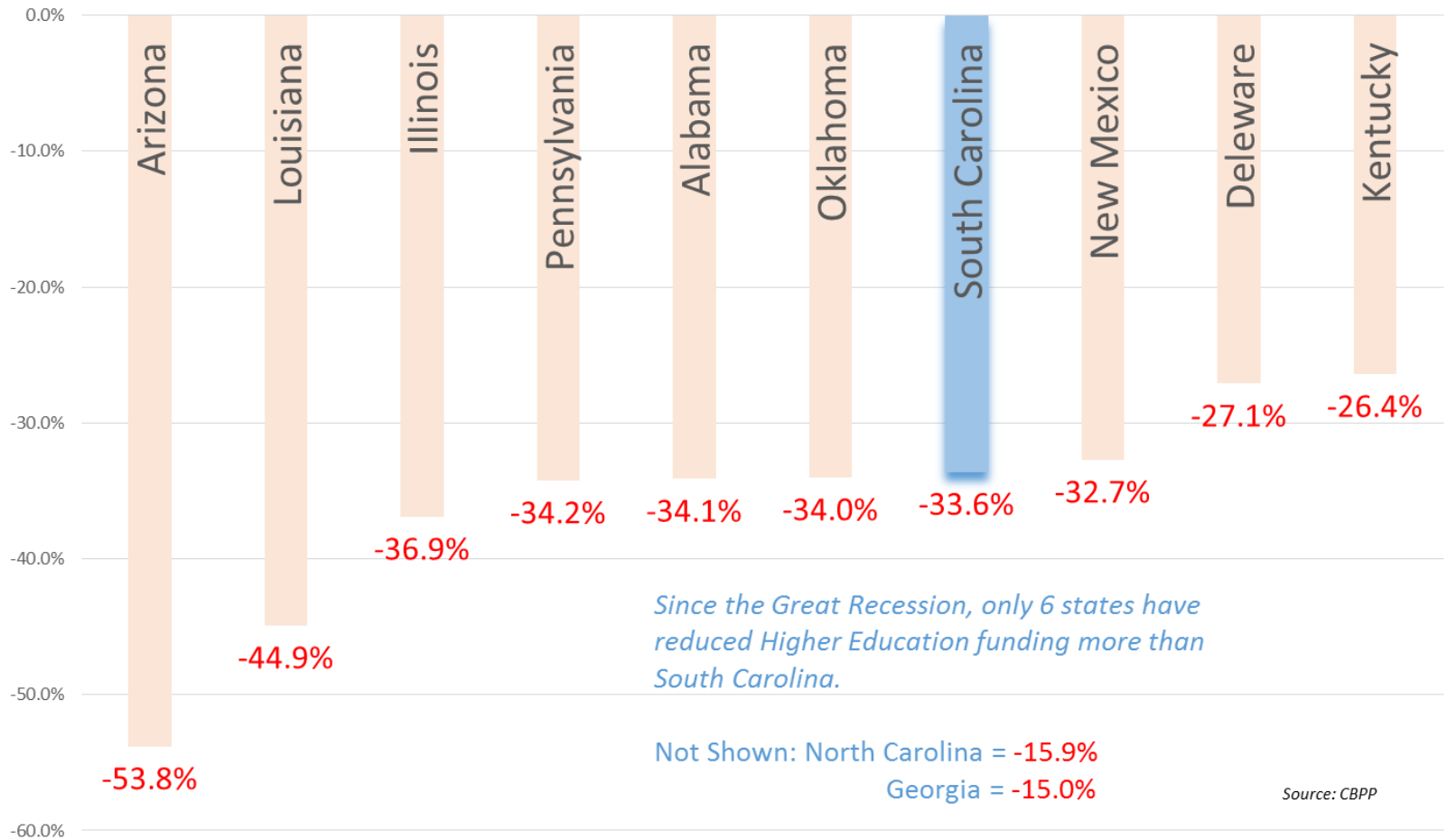
*Note: State support includes 2 and 4 year colleges, public and private



State Funding for Higher Education

Percent Change in Per Student Funding (Inflation Adjusted)

FY2008 - FY2017



Source: CBPP



"Per Pupil" State Support at SC Public Colleges In-State Undergraduate Students Pre and Post Great Recession

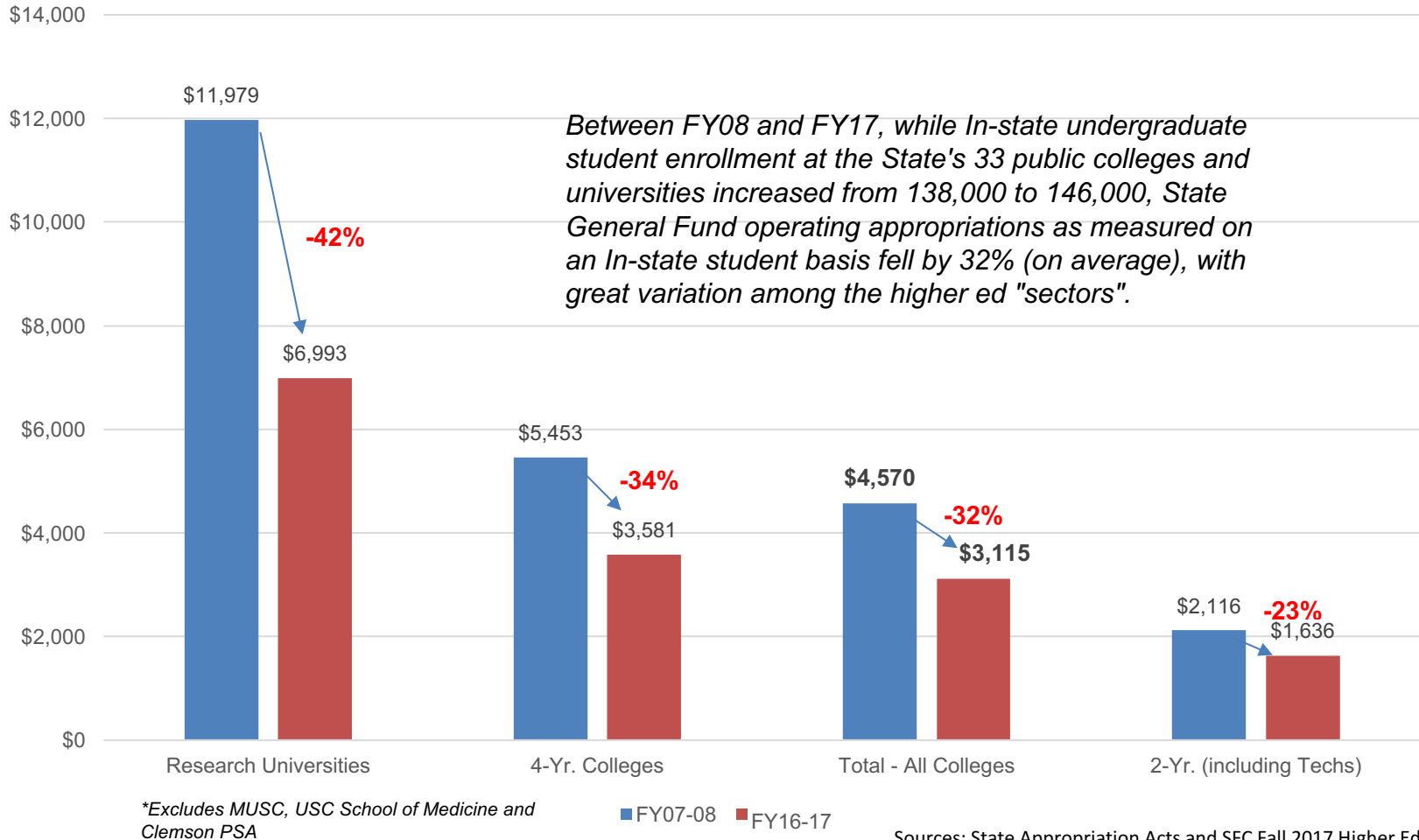
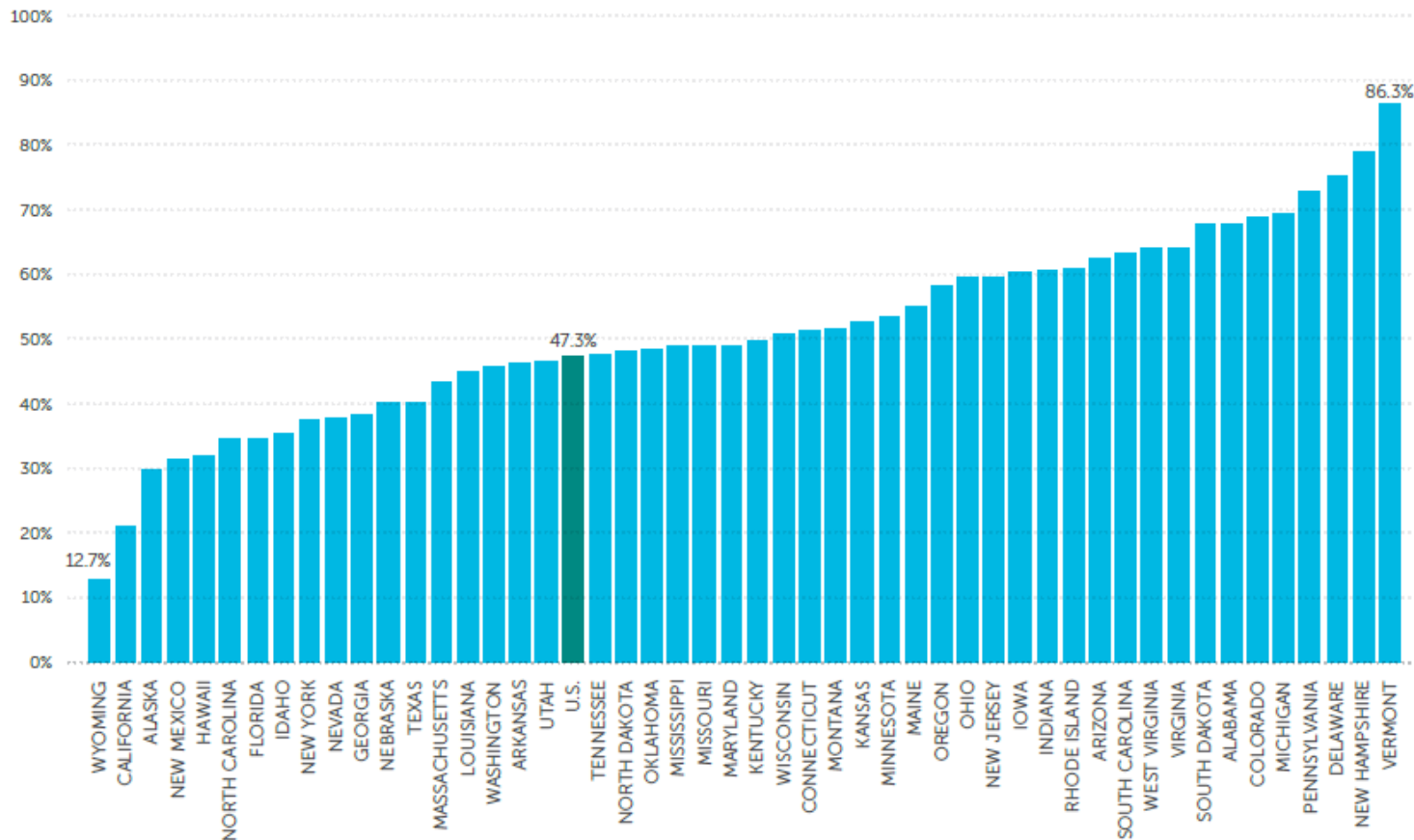


FIGURE 13
NET TUITION AS A PERCENT OF TOTAL EDUCATIONAL REVENUE, FY 2016



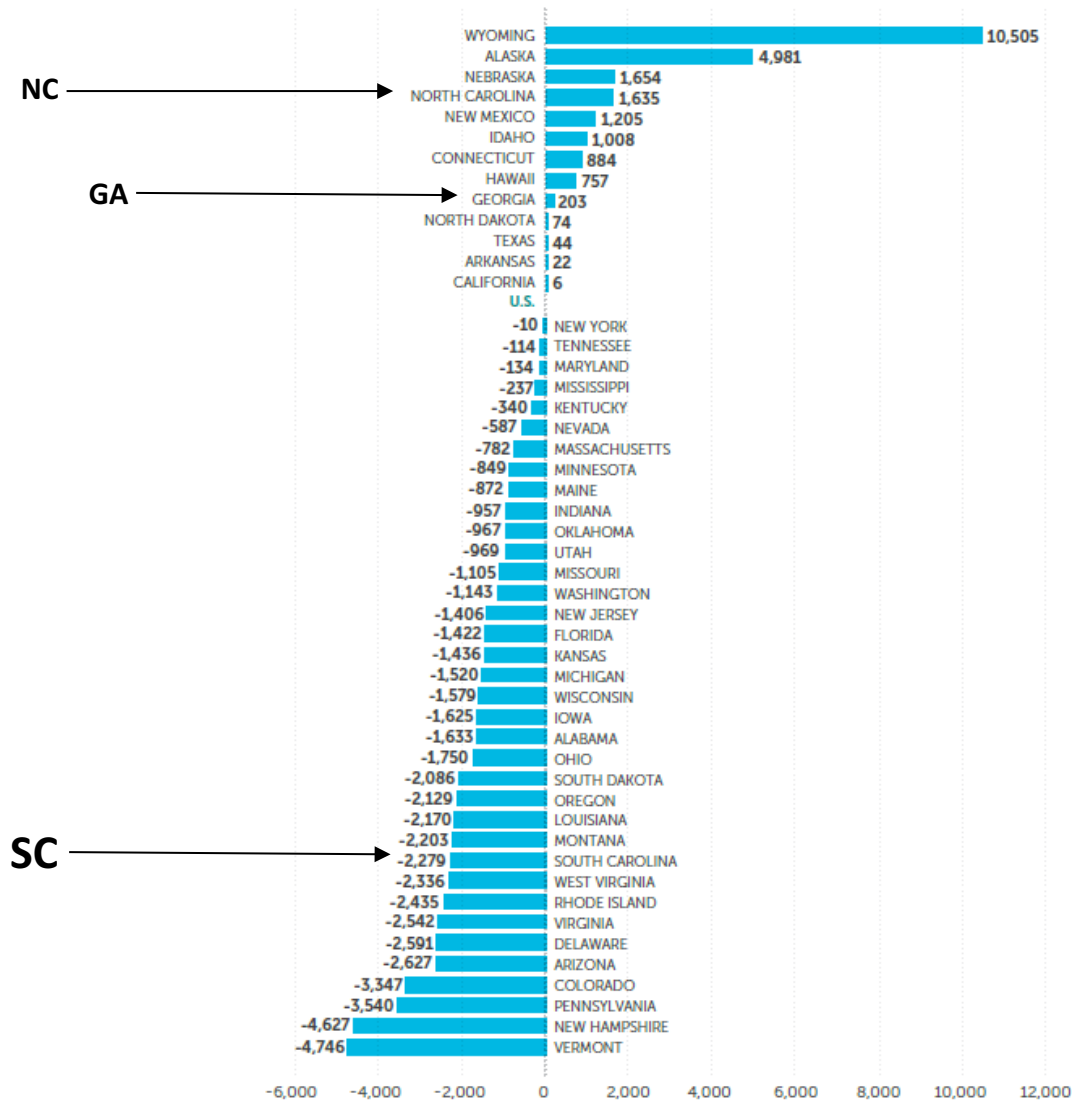
Excludes Illinois

- NOTES:**
1. Dollars adjusted by 2016 HECA, Cost of Living Adjustment, and Enrollment Index.
 2. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees. Net tuition revenue used for capital debt service is included in the net tuition revenue figures above.

SOURCE: State Higher Education Executive Officers



FIGURE 15
EDUCATIONAL APPROPRIATIONS PER FTE (ADJUSTED) – DIFFERENCE FROM U.S. AVERAGE, FY 2016



Excludes Illinois

- NOTES:**
1. Dollars adjusted by 2016 HECA, Cost of Living Index, and Enrollment Index.
 2. Educational appropriations measures state and local support available for public higher education operating expenses and excludes appropriations for independent institutions, financial aid for students attending independent institutions, and research.

SOURCE: State Higher Education Executive Officers

BULLETIN Dow near record high early Wednesday as IBM gains offset Nike weakness →

Home > Personal Finance

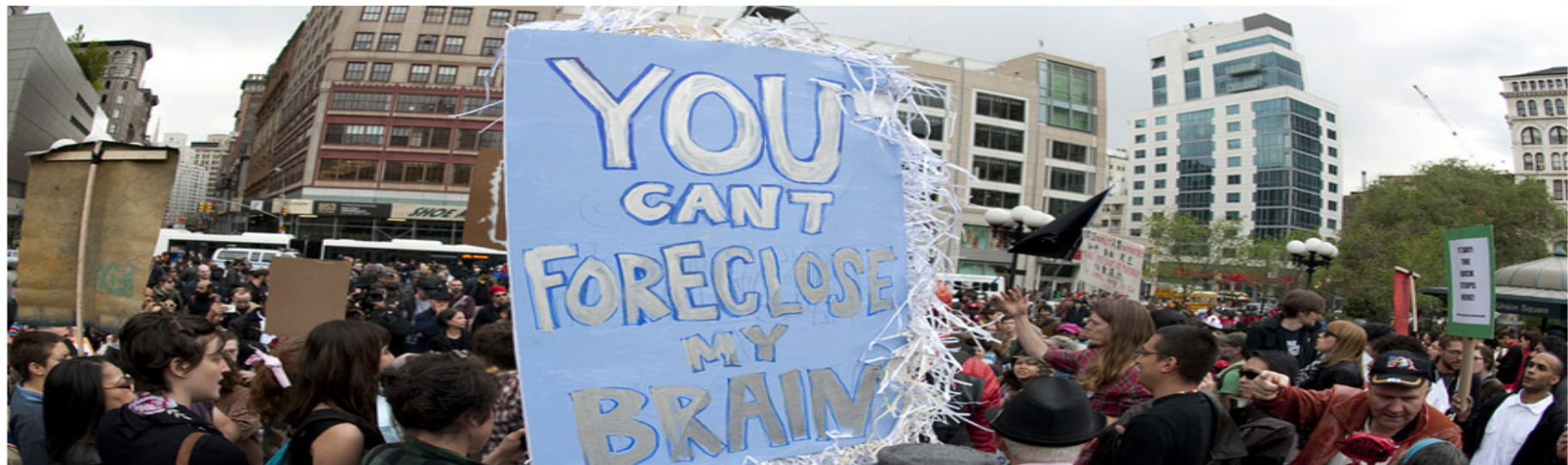
How the Great Recession turned America's student-loan problem into a \$1.5 trillion crisis

Published: Sept 23, 2018 8:55 a.m. ET



Aa

The financial crash, which began 10 years ago this month with the collapse of Lehman Brothers, created a perfect storm

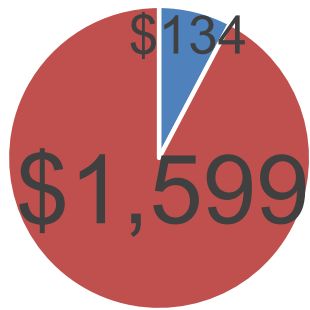


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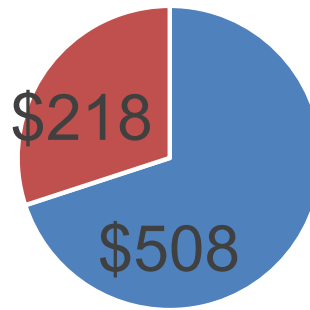
College Aid from States... How Does SC Compare?

Per Student Aid – 2014

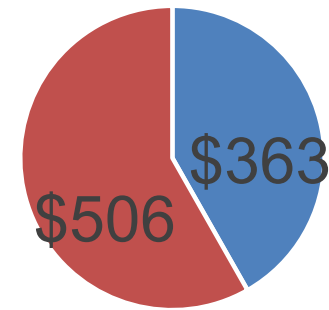
According to SREB data, SC spends between 3 and 7 times more per student on merit and/or other non need-based aid compared to the region and nation, while spending between 60 and 70% less on aid based on financial need, respectively.



- SC - Need-Based Aid
- SC - Merit/Non-Need



- US - Need-Based Aid
- US - Merit/Non-Need

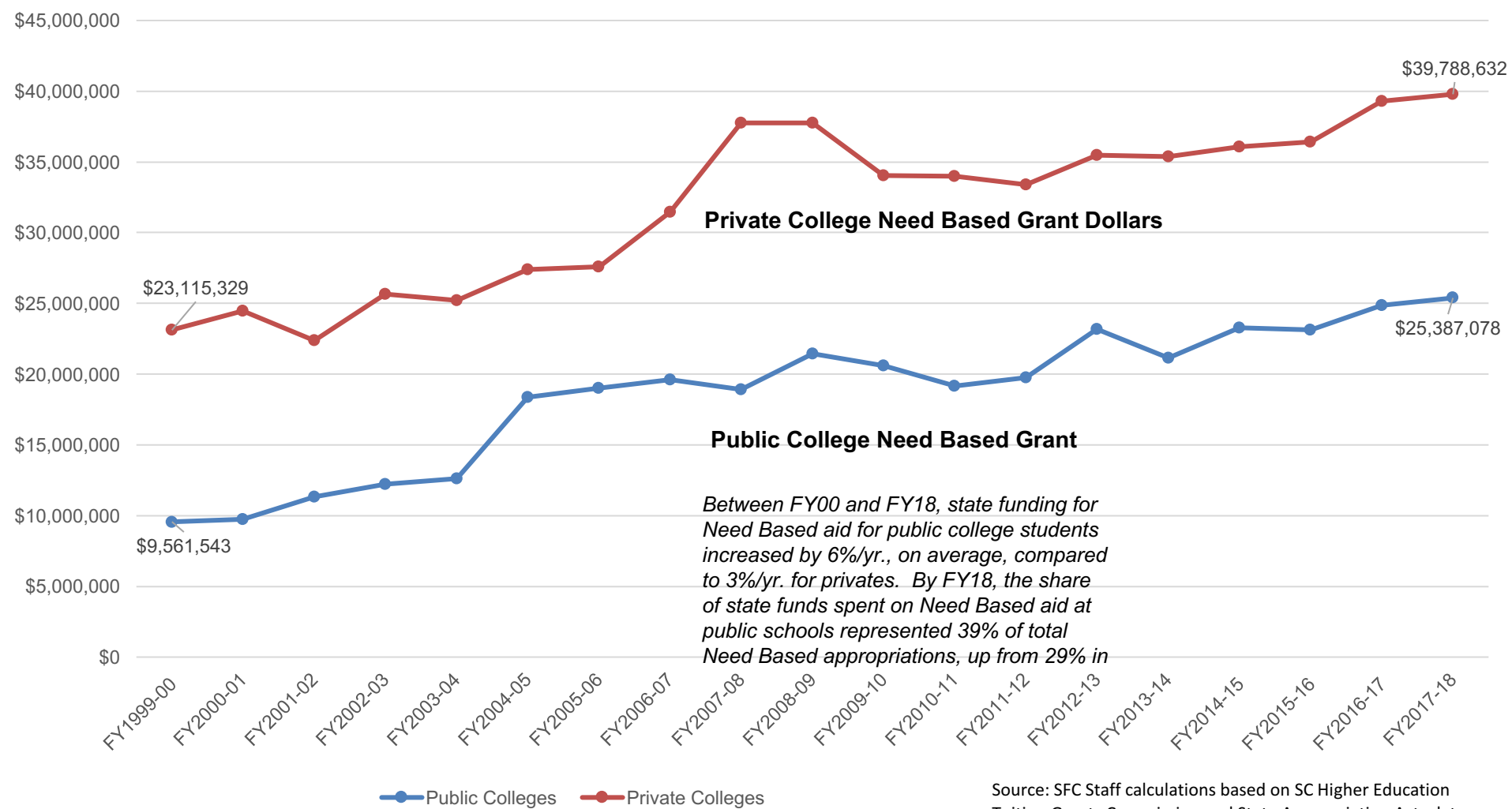


- SREB - Need-Based Aid
- SREB - Merit/Non-Need

Source: SREB "South Carolina College Affordability Profile 2017"



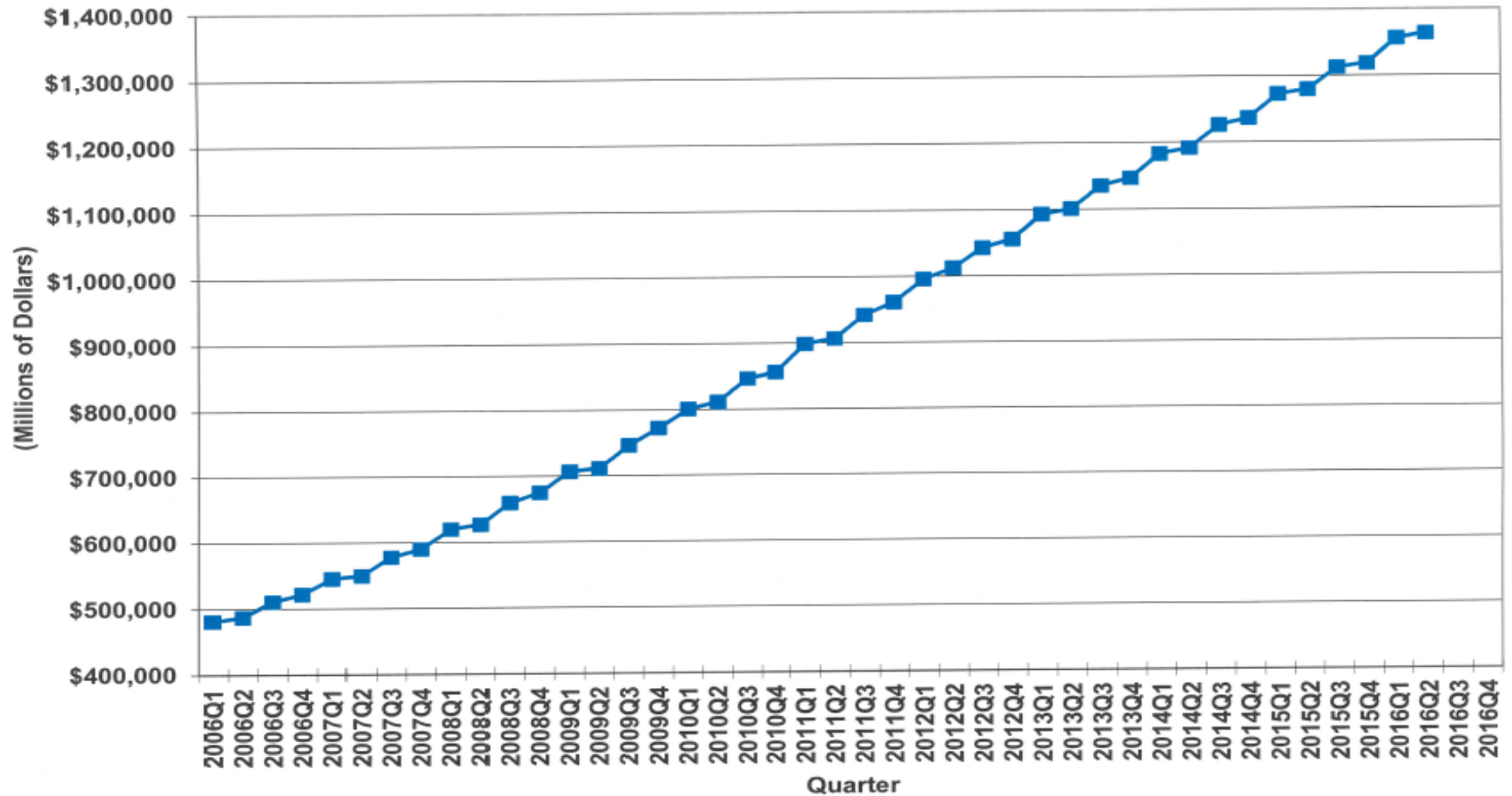
State Funded Need Based Grants SC Public and Private Colleges FY00 - FY18



Source: SFC Staff calculations based on SC Higher Education Tuition Grants Commission and State Appropriation Acts data



Total Outstanding Student Loan Debt in the U.S.



Source: The Board of Governors of the Federal Reserve System
SCBEA/RWM/08/25/16



The Last Time We Checked... ...Bond Bills for Higher Education since 2000

- 2016: Georgia, Maryland, Mississippi, North Carolina
- 2015: Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina*, Tennessee
- 2014: Louisiana, Mississippi
- 2007: Alabama, Kentucky
- 2006: Arkansas
- 2005: Alabama
- 2002: Virginia
- 2000: South Carolina, North Carolina***

Since the last time South Carolina passed a capital improvement bond bill for Higher Education (16 years ago), 11 Southeastern States have passed at least 1, with 7 having passed at least 1 over the last 3 years.

Since 2000, North Carolina has authorized more than **\$4.4 BILLION in capital improvement bonds for Higher Education.*

**Blue font indicates the State has passed at least 2 Bond Bills since 2000.*

Source: SC General Assembly Joint Capital Bond Study Committee – Survey of SREB States



Higher Ed Assailed By A Drumbeat of Critiques



Our Challenge

- Maintain FT FT enrollments for all colleges
- Maintain transfer enrollments: Be transfer friendly
- Improve Retention Rates

And.....



“Deliver on the Promise”



So – Back to the Previous Era

- Enrollment & Retention Management Council
- Enrollment & Retention Seminar/Retreats
- Admissions Tool Box
- Retention Tool Box
- Flexibility driven by adaptability



Importance of Retention – An Institutional Conscience



Importance of Retention

- Increased student learning
- Higher graduation rates
- Increased enrollments
- Increased tuition dollars/funding
- Improved services for students
- Improved student and faculty/staff morale
- Improved recruitment and retention of faculty and staff
- Improved focus on staff development
- Improved teamwork among various work units and divisions
- Improved accountability measures
- Improved image
- Improved working environment for staff
- Improved institutional efficiency and effectiveness



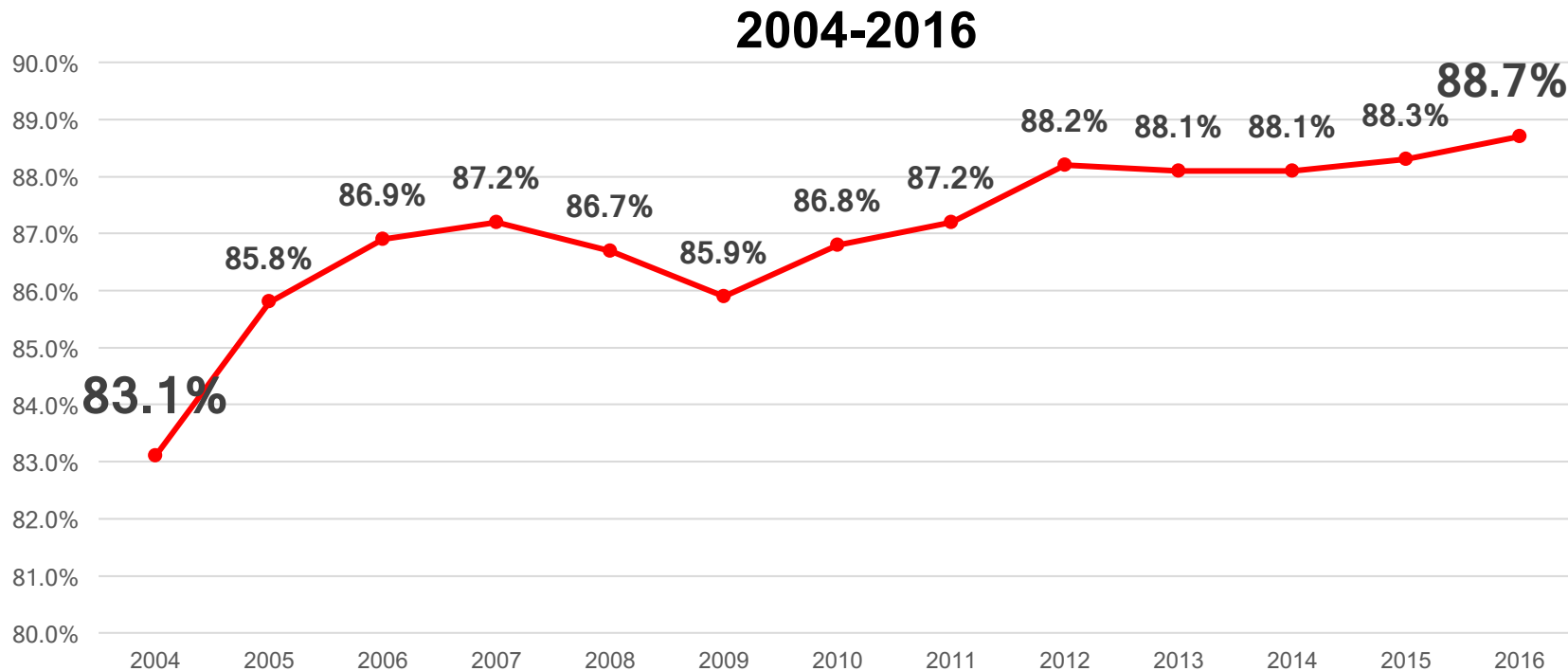
Retention Stats

- Nationally, 59% of first-time students who sought bachelor's degrees full-time in fall 2007 completed their degree at their original institution within six years.
- More than one-third of students leave their institution prior to graduation.
- Of the students who leave, more than half withdraw prior to beginning their second year.
- Departure rates vary by admissions selectivity and institutional control.

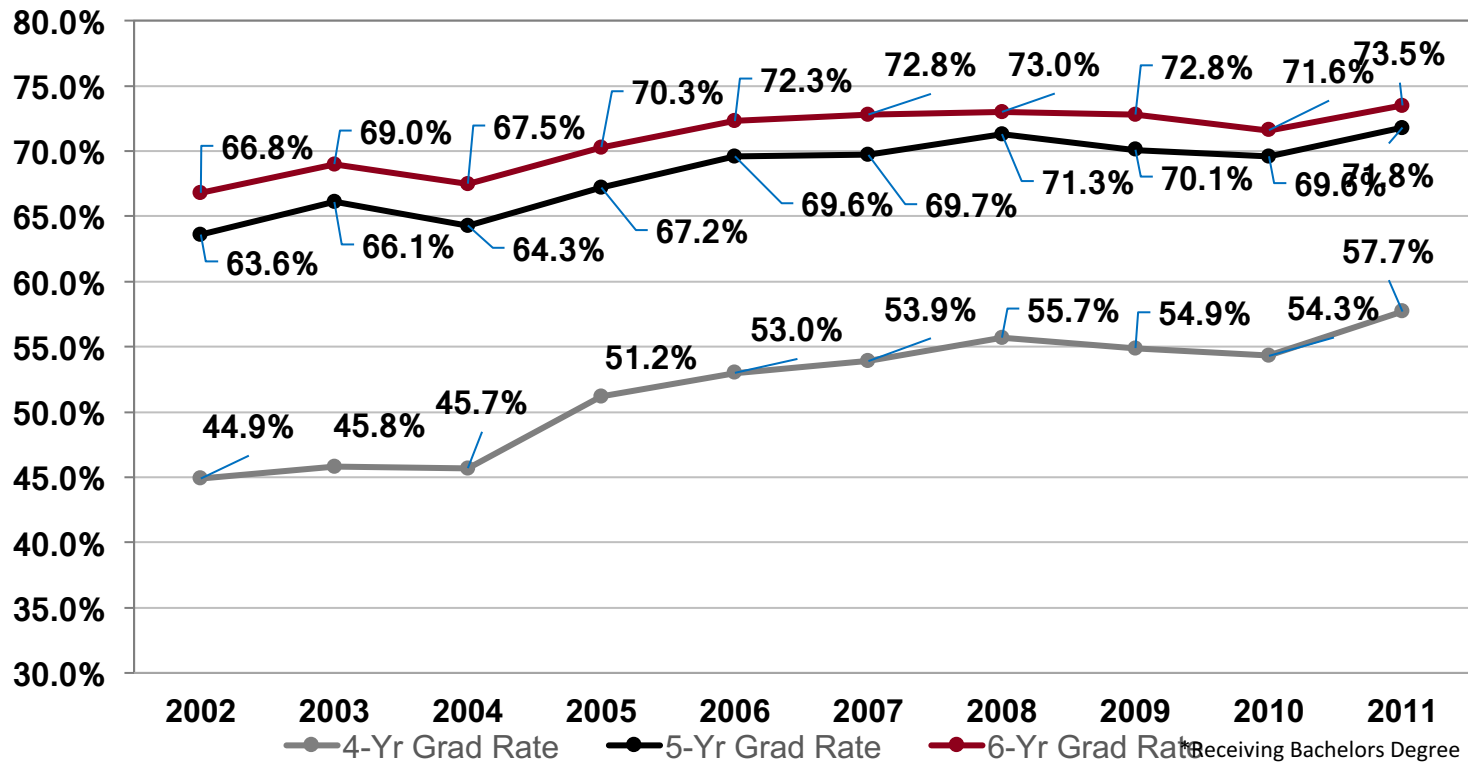
Source: Department of Education (2015)



Freshman to Sophomore Retention by Cohort



First-time, Full-time Freshman Graduation Rates*



Source: Enrollment Analytics



2016 First Year Retention Rates Peer* and Aspirant Institutions**

University of North Carolina **	96%
University of Virginia **	96%
University of Georgia *	95%
University of Maryland **	95%
Rutgers University *	92%
University of Connecticut *	92%
Indiana University **	91%
University of South Carolina	88%
The University of Tennessee *	86%
University of Missouri **	86%
University of Kentucky *	82%

Source: IPEDS Data Center, 2018



2011 Six Year Graduation Rates Peer* and Aspirant Institutions**

University of Virginia **	94%
University of North Carolina **	91%
University of Maryland **	87%
University of Georgia *	84%
University of Connecticut *	82%
Rutgers University *	80%
Indiana University **	76%
University of South Carolina	73%
The University of Tennessee *	69%
University of Missouri **	68%
University of Kentucky *	64%

Source: IPEDS Data Center, 2018



So What's 1%?

Current Retention	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Freshman to Sophomore	88.1%	88.3%	88.7%	
Sophomore to Junior	82.7%	83.1%		

What If We Improved by 1%?	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Freshman to Sophomore	88.1%	88.3%	88.7%	89.7%
Sophomore to Junior	82.7%	83.1%	84.1%	84.1%



So What's 1%?

	<u>2018</u>	<u>2019</u>
Freshman to Sophomore		58
Sophomore to Junior	<u>50</u>	<u>57</u>
	50	115



Average Net Tuition and Academic Fees Revenue

\$ 775,980	\$ 901,891
\$ _____ -	\$ 893,935
\$ 775,980	\$ 1,795,826



The Evolution of STUDENT SUCCESS

and 200+ Best Practices to Help You Adapt

The definition of student success has evolved considerably since the mid-20th century, when the issue first emerged in earnest. Looking back 50+ years, EAB identified six areas and ten practice areas that define student success theory and response. For those tasked with leading student success, the scope of responsibility during this time has expanded dramatically. New practices seem to accrue upon the old, rather than replace them.

In the last decade, the pace of change has accelerated due to student demographic shifts, technological innovations, and the economic fallout from the Great Recession. In response, EAB has amassed a growing library of student success research, including more than 200 proven, replicable practices to help colleges and universities adapt to the evolving landscape. Explore this framework to help contextualize how your own student success strategy is evolving.

Key to EAB Best Practices
Bar height represents quantity of practices available in our library



1930s to 1960s

Pre-history of Student Success

In the late 1930s, the Federal government surveyed 800 schools in the first-ever study of "institutionality." A similar assessment could be argued of the GI Bill and baby boom until the late 1940s, when the concept of expanding college access to more populations coincided with the effects of student movements to generate the first widespread concerns over student activities.

1970s

The Dawn of Retention Theory

William G. Brady and Thomas F. Kelly describe the first widely recognized theories of college student retention. These are critical, seminal texts that focus on a student's commitment to seeing a college degree through on their integration in the college community and involvement. This work will form the intellectual basis for subsequent student engagement programing and practice.

1980s

Bridging the Achievement Gap

Qualifying assessments in the 1970s led to the advent of assessment management in the 1980s. An additional effort to address more fully retention in students at risk, researchers saw that certain demographic groups did more than others. Substantiated by developing programming and services targeted to supporting at-risk student populations.

1990s

(Over-) Investment in the First Year

Identified as the supporting students through cost-effective strategies, particularly from high schools to colleges. In response, institutions invested heavily in their year one success and retention strategies, and in the professional advice to support retention programs. The emphasis on first-year retention strategies led to increased graduation rates.

2000s

A Technological Revolution

How early alert technologies affect students for the first time, understand institutions' effectiveness, not just emerging. They have returned to graduation rates, and long-term degree planning has become a more comprehensive and vital role in the overall strategy for retention programs. Developmental education reforms have also led to the forefront among schools.

Selected Student Success Practices from the EAB Library

FINANCIAL WELLNESS	Emergency micro-scholarships	Buzz hold forgiveness
CAREER DEVELOPMENT	Embedded professional tracks Pipeline internships	Industry coaches Career bridge programs
DEGREE PROGRESS	55-to-finish Milestone courses Transition specialists	Last-mile programs On-pace progress grants Reentry-back programs
NEXT-GENERATION ADVISING	Risk segmentation Success coaching fellows	Adding career ladder Population health management
DEVELOPMENTAL EDUCATION	Math emporia	Partial courses
DEGREE PLANNING	Meta majors Degree maps	Multi-term registration What-if plans
EARLY INTERVENTION	Absence tracking Registration campaigns	Closed-loop faculty feedback
FIRST-YEAR EXPERIENCE	University 101 courses	Learning communities
SPECIAL POPULATIONS	Staff support networks Ability desks	Peer mentoring Cultural programming
STUDENT ENGAGEMENT	Co-curricular mapping Engagement flash polls Mobile push notifications	Campus engagement app Peer involvement addition



Explore over 200 ideas and best practices in student success
www.eab.com/academic-success

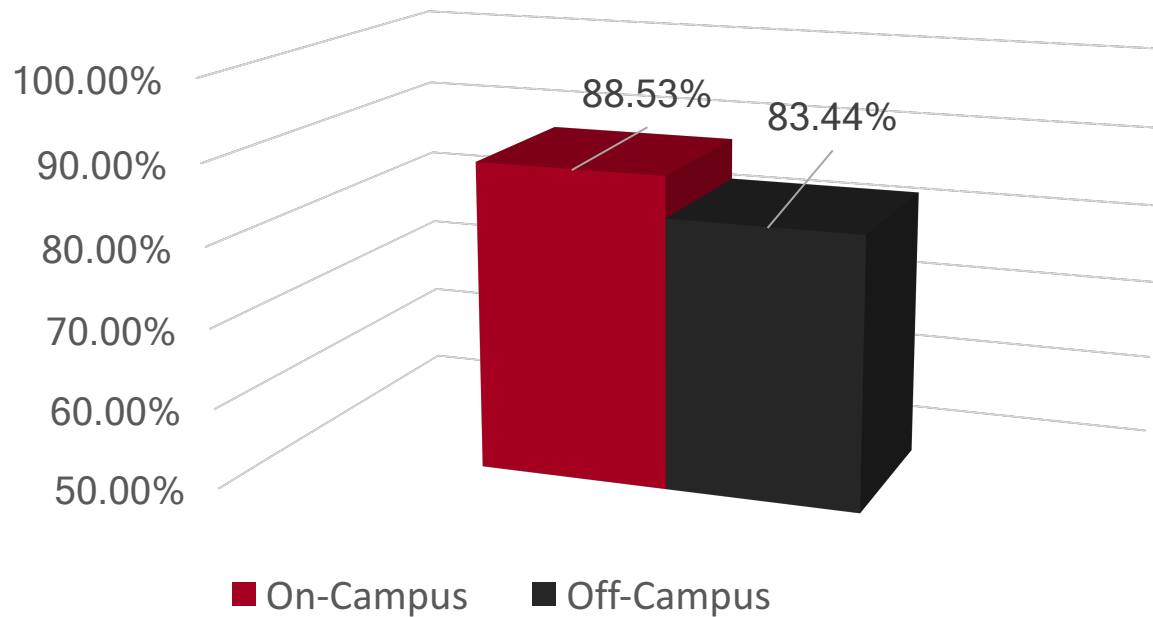
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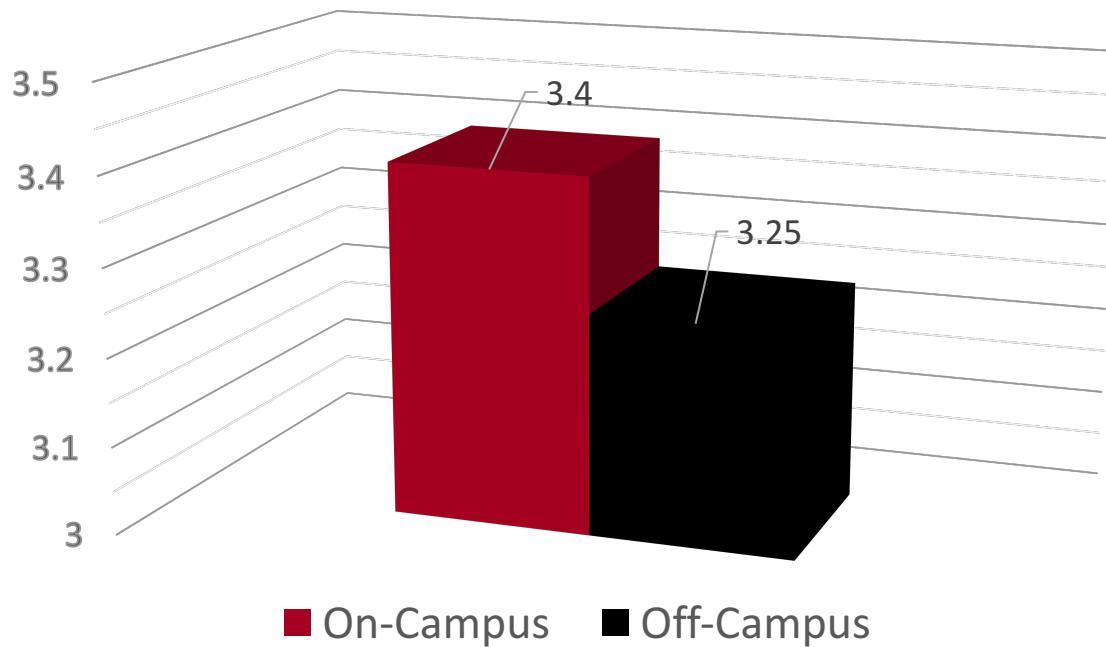
Why? Because It Works

Housing: First-Year Retention
Fall 2016 to Fall 2017



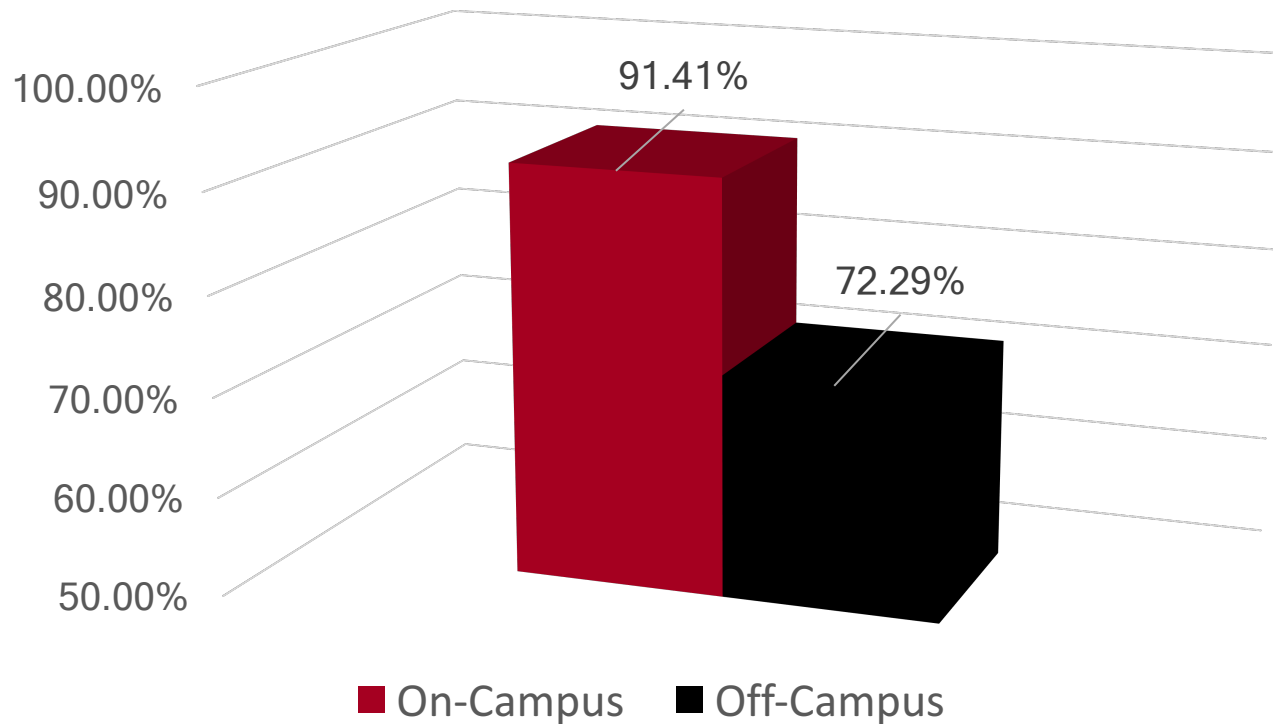
Why? Because It Works

Housing: First-Year GPA
Fall 2016 Freshmen

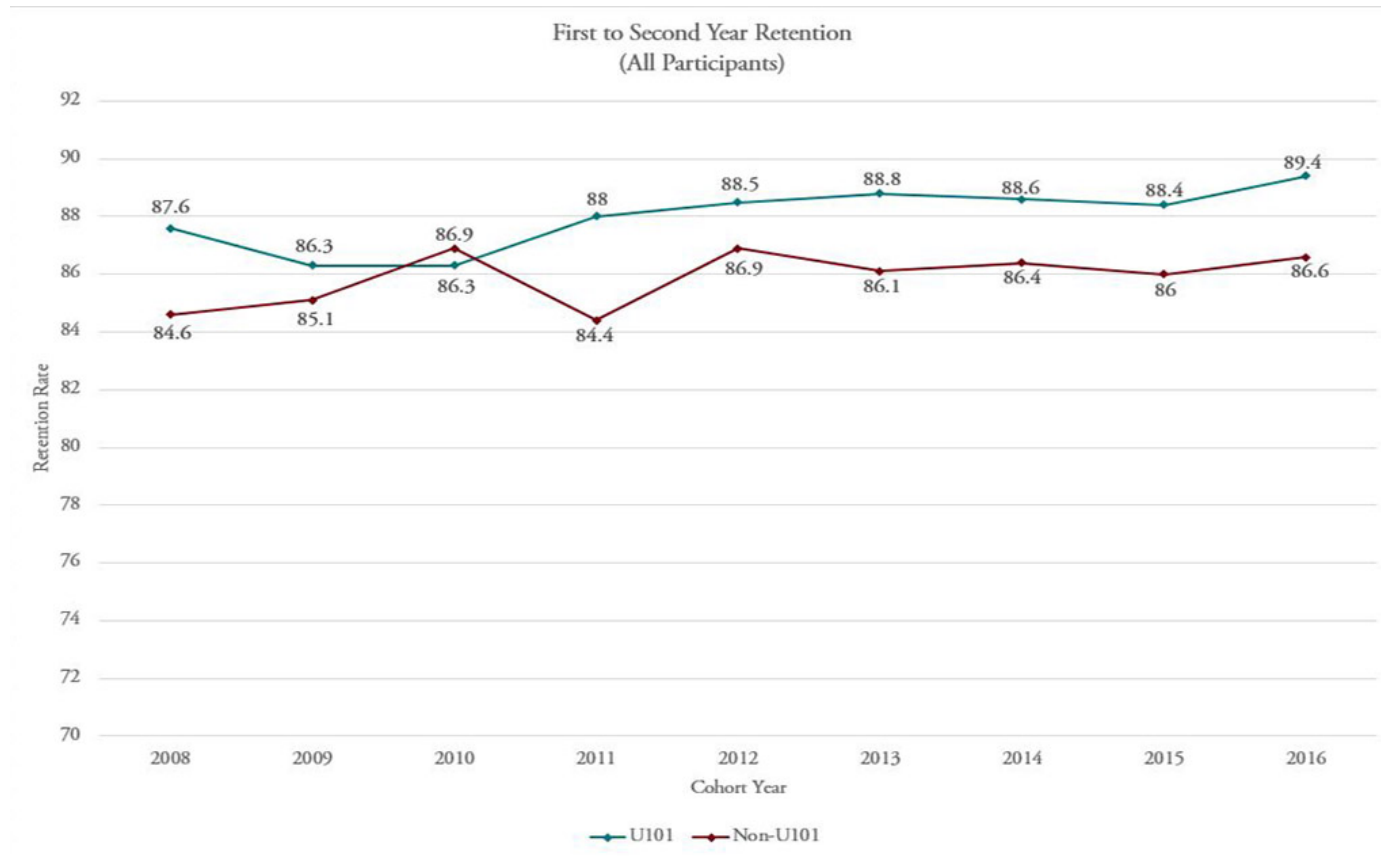


And Because It Matters

Pell Grant Recipients: First-Year Retention
Fall 2016 to Fall 2017



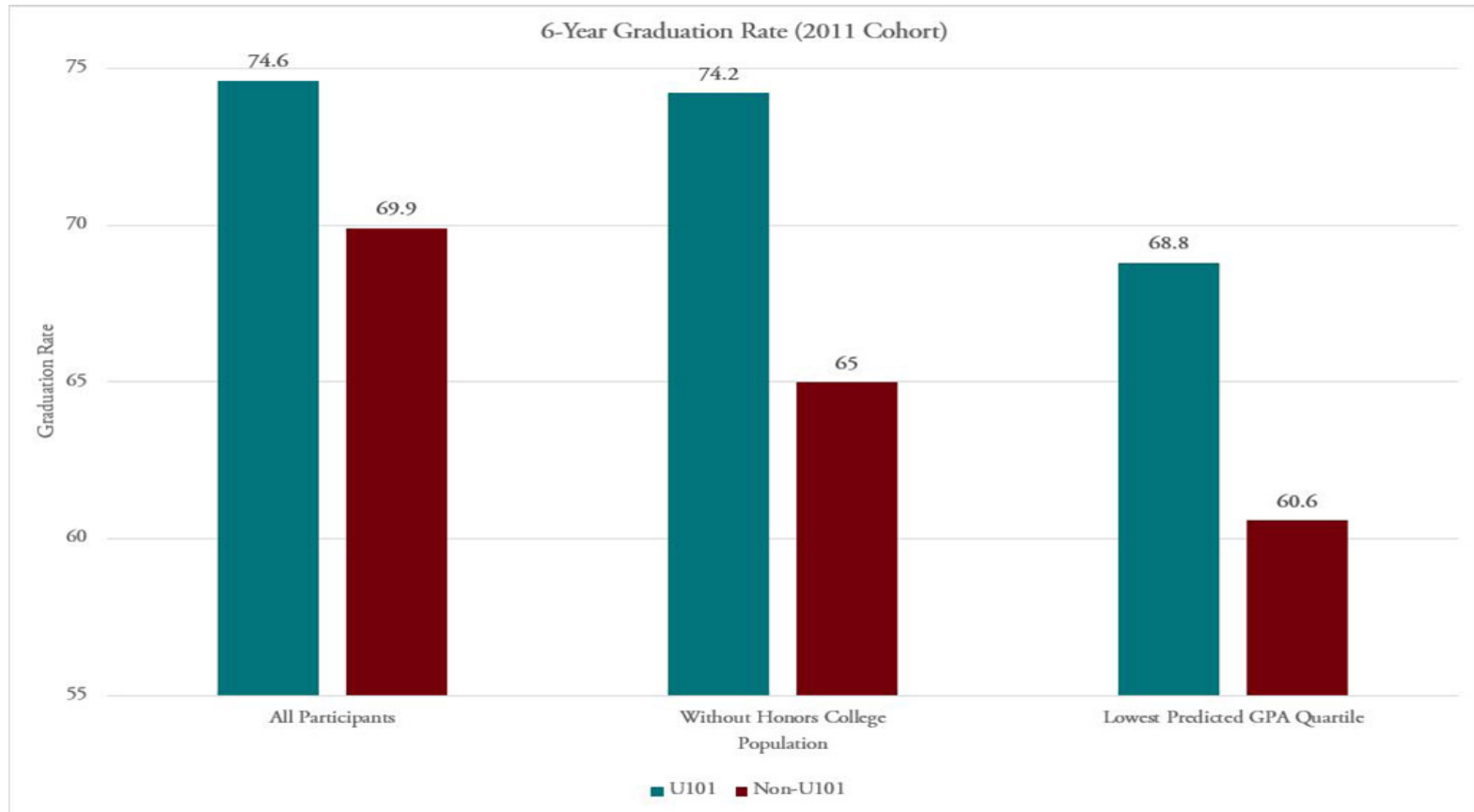
A Best Practice – Getting Even Better



Data for 2008 to 2013 cohorts provided by the Office of Institutional Research, Assessment and Analytics.
Data for 2014 and later cohorts provided by Student Data Enrollment Analytics.

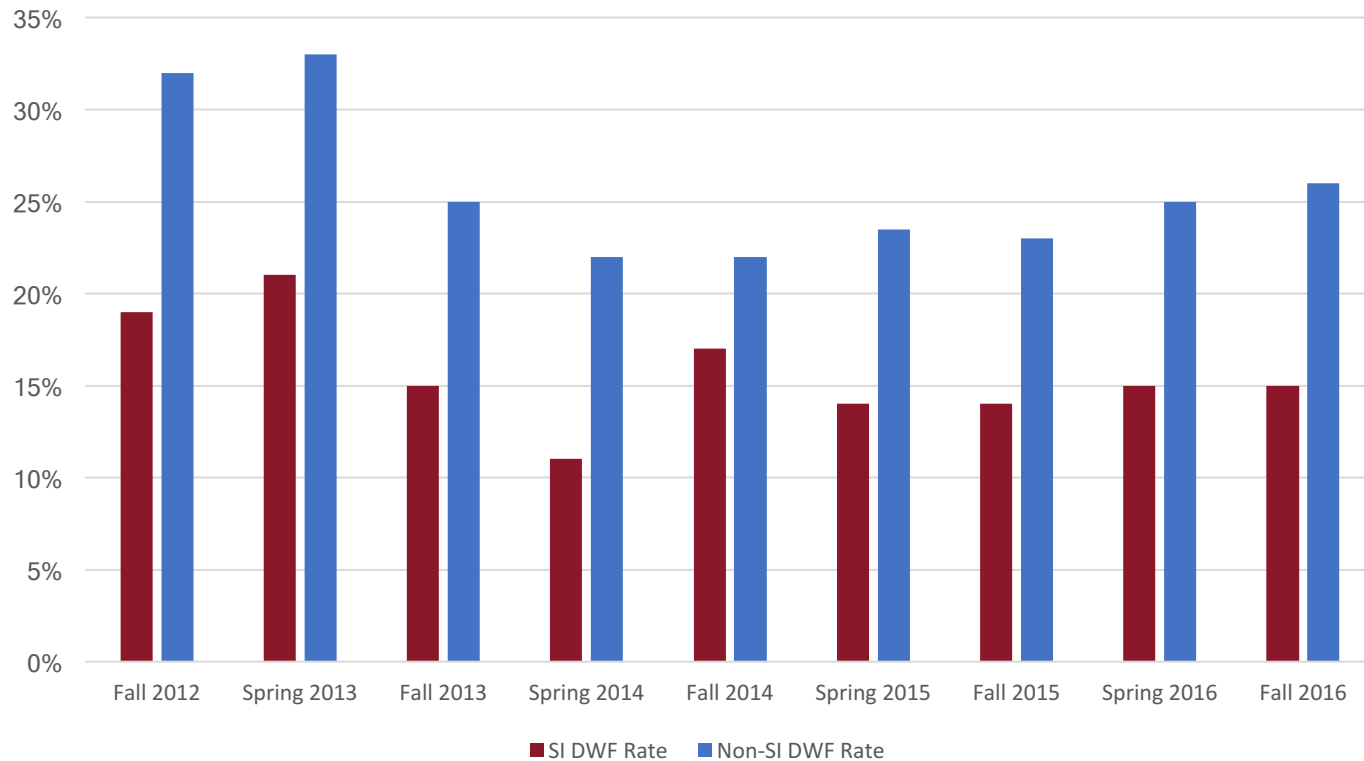


A Best Practice – Getting Even Better



A Best Practice – Getting Even Better

Supplemental Instruction



Piloted – And Proven



First-Year Retention Survey

Fall 2017 first-year retention survey posited:
“My costs will be covered next semester”

Students who disagreed were analyzed for
unmet need and payment plan data

↓
31 freshmen awarded a \$1,500 renewable grant

↓
25 of them enrolled in Fall 2018, with
average of 3.3 GPA and 16 credit hours

↓
\$269,000 net tuition revenue



Piloted – And Proven



Spring Progress Reports

In Spring 2018, School of Business faculty members issued 1,841 progress reports



As a result, 209 students visited the Student Success Center for a consultation



Students attending a consultation earned a .25 letter grade higher than their peers



14% higher pass rate for students attending a consultation



What About Career Outcomes?

Survey of 2012-2016 Graduates

- 1,715 responses; 1,455 analyzed
 - Gainful Employment Score
 - Employed FT
 - Job Requires College Degree
 - Salary (regionally adjusted)
 - Career Fulfillment and Engagement
 - 91% Agree or Strongly Agree
 - “My USC experience had a very positive influence on my life.”
 - Activities That Most Positively Impacted Career Outcomes
 - Starting job search > 1 year before graduation
 - Attending campus recruiting events & job fairs
 - Utilizing career center resources
 - Paid internships
- 40%



*Everyone you meet is
fighting a hard battle
you know nothing about.*

Be kind. Always.

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Budget Model Redesign

Andrew Laws

September 28, 2018



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Overview of Project Goals and Objectives

Huron has partnered with USC to develop and prepare for the implementation of an incentive-based budget model that aligns with the institution's mission, culture, and strategic priorities through an inclusive and iterative process.

Project Goals and Objectives

1. Build on the Board and Elliott Davis' recent financial modeling efforts to develop a University budget model
2. Engage stakeholders in a discussion about changes in higher education that are driving the need for a new USC business model
3. Develop a set of guiding principles and facilitate discussions about potential model adjustments to reflect those principles
4. Introduce draft budget models to stakeholders through an iterative process to find common ground, and obtain stakeholder buy-in for an agreed upon model to position USC for implementation
5. Enhance current budget processes, tools, reports, and governance structures to support the operationalization of the new budget model



Steering Committee – Roles and Membership

The University has established a Steering Committee of faculty and staff to provide guidance for this initiative, to review project status reports, and to validate the opportunities presented.

Steering Committee Charge

- Provide guidance surrounding the development of a new incentive-based budget model
- Monitor and review project progress
- Validate key decisions by providing constructive feedback on budget model developments
- Engage with the campus community, acting as a liaison between the steering committee and various constituent groups

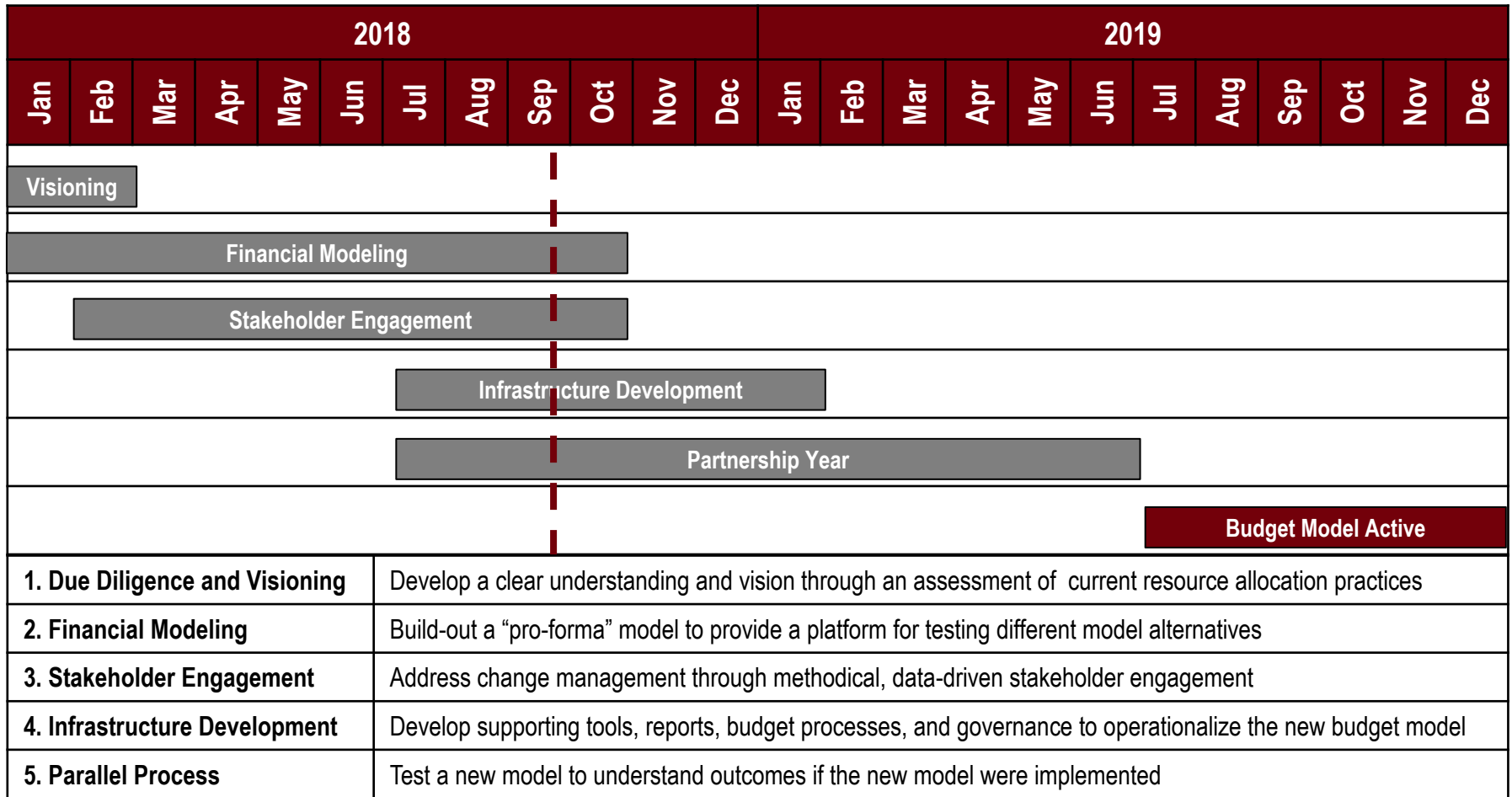
Name	Role
Joan Gabel – Provost, Co-Chair	Mary Alexander – Chief of Staff, Assistant Provost
Leslie Brunelli – CFO, Co-Chair	Stacey Bradley – AVP, Student Affairs
Peter Brews – Dean, Business	Kelly Epting – AVP, Finance
Lacy Ford – Dean, Arts and Sciences	Tom Regan – Chair, Faculty Budget Committee
Hossein Haj-Hariri – Dean, Engineering and Computing	Jeff Tallant – CFO, Athletics
Cheryl Addy – Associate Provost	Brian D’Amico – Shareholder, Elliott Davis

Joe Sobieralski - System Budget Director, Working Group Staff Lead



Budget Redesign Timeline

Huron has partnered with USC to develop and prepare for the implementation of an incentive-based budget model that aligns with the institution’s mission, culture, and strategic priorities through an inclusive and iterative process.



Budget Model Redesign

Industry Overview



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Recent Trends in Budgeting

A significant number of institutions have recently decided to undertake budget redesign initiatives to find a long-term solution to recent financial challenges.

- Institutions are working diligently to reframe budgeting as a way to develop new revenues, promote desired activities, and funnel resources to strategic priorities
- A 2016 Inside Higher Ed Survey reported that 47% of U.S. institutions surveyed have changed their budget model in the past 4 years with 35% of those that have not changed their institution's model planning to do so
 - 21% of those surveyed say their institution uses a Responsibility-Centered Management (RCM) model
- Recent changes have resulted in more inclusive strategies that acknowledge the powerful impact engaged faculty and staff can have on institutional resources
- With enhanced inclusiveness, universities have needed to produce more timely, comprehensive, and insightful data and reports
- Ultimately, universities appear to be adopting hybrid budgeting models that are highly customized to institutional cultures and goals

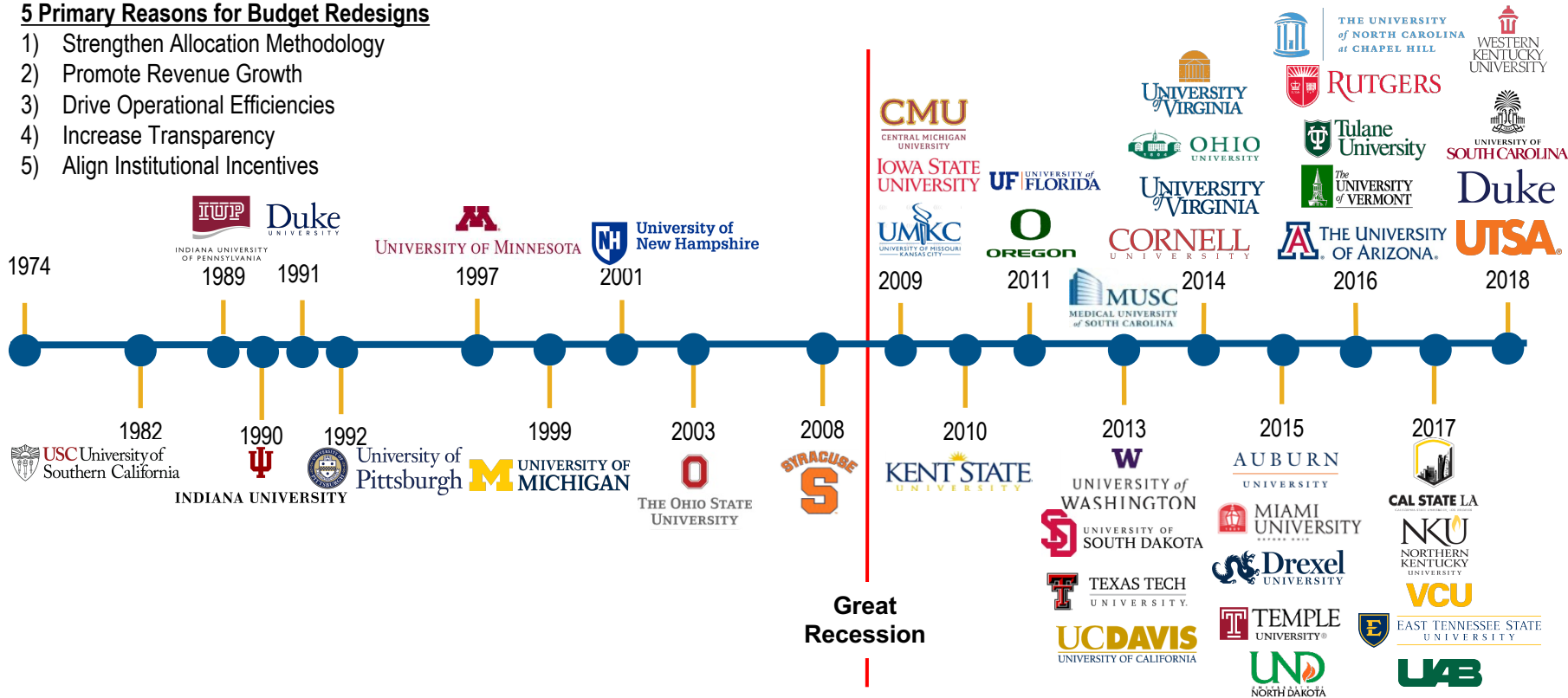


Recent Higher Education Budget Redesigns

Since the Great Recession, and with the continued strain on revenue sources, universities are undertaking comprehensive budget redesign initiatives with increasing frequency.

5 Primary Reasons for Budget Redesigns

- 1) Strengthen Allocation Methodology
- 2) Promote Revenue Growth
- 3) Drive Operational Efficiencies
- 4) Increase Transparency
- 5) Align Institutional Incentives



The number of institutions pursuing budget redesigns continues to grow as universities face fiscal challenges and seek to expand the number of institutional leaders focused on resource maximization.



Budget Model Redesign

Model Overview



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 HURON

Guiding Principles

Steering Committee members developed a set of guiding principles, which are summarized below. These principles have been used to inform decisions on the development of the proposed budget model.

1

Create a model that seeks to **advance the University's mission** as an institution for excellence and remains **flexible** enough to adapt to changing priorities over time

2

Feature incentives that promote balanced growth by rewarding entrepreneurship, innovation, and collaboration within and across disciplines

3

Develop a **highly collaborative** and sustainable budgeting process that **promotes transparency** and **accountability** across all units

4

Reflect a **shared commitment to the fiscal health** of the campus ensuring optimal efficiencies and that **institutional priorities can be funded**

5

Provide a **consistent and fair methodology** for revenue and cost allocation that is relatively **simple** and easy to understand

6

Use **trusted and reliable data** to facilitate strategic decision making and to **enable enhanced forecasting and planning**



Revenue and Expense Allocation Overview

In general, incentive-based budget models share five common elements related to the flow of revenues and expenses across the institution.

Element	Description
Direct Revenues	<ul style="list-style-type: none"> Typically recognized as revenue by the unit for goods or services provided
Allocation of General Revenues	<ul style="list-style-type: none"> Models devolve ownership of revenues from central administration to the academic units that generate them; particularly, general state appropriations, and tuition and fees
Direct Expenses	<ul style="list-style-type: none"> Units have traditionally been accountable for, and actively managed, direct expenses
Allocation of Indirect Expenses (Cost Pool Allocations)	<ul style="list-style-type: none"> Optimal decision-making requires that the full costs of activities be understood; not just the direct costs, but also the facilities utilized and central services provided By understanding how indirect costs are allocated, management can estimate the full marginal costs of proposed initiatives Each academic unit pays for its own direct expenses plus a share of the central support unit expenses
Use of Central Funding	<ul style="list-style-type: none"> Allocations from central sources (i.e. “subventions”) to academic units are used to support mission-critical units with under-funded operating costs In part, the use of a central fund addresses the economic problem of the commons



Critical Model Decision Points (1 of 2)

Moving to an incentive-based budget model requires many decisions regarding the model's scope, structure, and methodology. The Steering Committee has established decisions regarding the following key model components:

Key Model Components:

1. **Model Philosophy:** How decentralized should budgeting authority be? How closely should the model reflect economic reality?
2. **Model Structure:** How should institutional units be classified and treated (e.g. academic, administrative & support, auxiliaries)?
3. **Tuition (Graduate and Undergraduate):** What is the appropriate balance of allocating tuition on the basis of instructed credit hours v. department enrollments?
4. **State Appropriations:** What activities (e.g. instruction, advising, research) should state funding be allocated to support?
5. **Research Support:** How should growth and increased quality of the research enterprise be incentivized and subsidized?
6. **Cost Pools:** How many cost pools should be established? How much detail should be available about administrative overhead costs?
7. **Cost Allocations:** What metrics should be used to allocate administrative overhead costs?



Critical Model Decision Points (2 of 2)

Moving to an incentive-based budget model requires many decisions regarding the model's scope, structure, and methodology. The Steering Committee has established decisions regarding the following key model components:

Key Model Components:

8. **Scholarships, Aid and Waivers:** What types of financial aid and scholarships should be charged directly to academic units and what should remain as a central cost?
9. **Subvention Funding:** How large should the subvention ("strategic investment pool") pool be? How should it be funded, and how should strategic investments be allocated back to the institution?
10. **Model Sensitivity:** How responsive should the model be to one-year changes in institutional activity? For example, how long should changes in enrollment, instruction, or research activity take to affect model allocations?
11. **Model Infrastructure:** Does the institution currently have the professional and technological resources to manage a sophisticated, decentralized model? What additional investments are necessary?
12. **Model Governance:** What stakeholder group will have ultimate authority for annual budget system operations? Who will influence changes to the model ruleset and who will govern committees that address concerns related to administrative service delivery, space management, academic quality, etc.?



Model Framework

Using campus stakeholder feedback, the Steering Committee guided the development of a model framework that allows for unit-level funds flow statements. A condensed version of the structure, for illustrative purposes, is below.

A	B	C	F	I	L	O	R	U	X	AA	AD	AG	AJ	AQ	AR	BE	BF	CN	CS	CT
			ARTS AND SCIENCES	EDUCATION	ENGINEERING - COMPUTING	HOSPITALITY RETAIL SPORTS MGT	LAW	MASS COMM- INFORMATION STUDIES	DARLA MOORE SCHOOL OF BUSINESS	NURSING	PHARMACY	ARNOLD SCHOOL OF PUBLIC HEALTH	MUSIC	SOCIAL WORK	ACADEMIC UNITS/AUXILIARY UNITS	PRIMARY UNITS	SUPPORT UNITS	PASS THROUGH TOTAL	COLUMBIA BUDGET	
10	Allocation Type	TUITION AND FEES TOTAL																		
11		ABATEMENTS TOTAL																		
15		STATE APPROPRIATIONS TOTAL																		
19		GRANTS, CONTRACTS & GIFTS TOTAL																		
20		SALES AND SERVICES & OTHER TOTAL																		
21		TOTAL REVENUE																		
28		PERSONNEL TOTAL																		
43		NON-PERSONNEL TOTAL																		
44		TOTAL DIRECT EXPENSES																		
50		TRANSFERS, CONTRAS & RECOVERIES TOTAL																		
51		MARGIN BEFORE SUPPORT UNIT COST ALLOCATIONS																		
52		MARGIN BEFORE SUPPORT UNIT COST ALLOCATIONS %																		
53		ALLOCATED SUPPORT UNIT COSTS POOLS																		
54	Total Student FTE	Academic Access & Degree Completion																		
55	Total UG Student FTE	Academic Support & Student Services																		
56	Total Student FTE + Tenure Track Faculty FTE	Academic Affairs																		
57	Total Employee FTE	Central Services & Administration																		
58	Total UG Student FTE	Enrollment & Scholarships																		
59	Total Direct Expenditures	Executive Affairs																		
60	Total Net Assignable SCFT	Facilities																		
61	Total UG Student FTE	Honors College																		
62	Total Headcount	Information Technology																		
63	Total Student FTE + Total Faculty FTE (Less Law)	Library																		
64	Total Contract & Grant Revenue	Research																		
65		TOTAL CALCULATED SUPPORT UNIT COSTS																		
66		Current Support Unit Charge (Over) / Under Allocation of Support Unit Costs																		
67		TOTAL ALLOCATION OF SUPPORT UNIT COSTS																		
68		TOTAL ALLOCATION OF SUPPORT UNIT COSTS																		
69		TOTAL DIRECT EXPEND. + TOTAL SUPPORT UNIT COST																		
70		MARGIN AFTER SUPPORT UNIT COST ALLOCATIONS																		
71		MARGIN AFTER SUPPORT UNIT COST ALLOCATIONS %																		
72		Legacy Model Adjustment																		
73		MARGIN AFTER LEGACY MODEL ADJ.																		
74	8.5%	Participation Fee Payment (Outflow)																		
75		Strategic Initiative Funds (Inflow)																		
76		MARGIN AFTER STRATEGIC INITIATIVE INFLOW																		
77		Subvention Pool Disbursement Inflow																		
78		MARGIN AFTER FEE PAYMENT, LEGACY ADJUSTMENT, AND DISBURSEMENT																		
79		BEGINNING CARRYFORWARD																		
80		ENDING CARRYFORWARD																		

Primary Units

Revenues and Direct Costs

Admin & Support Units Allocated to Primary Units

Central Funding Mechanism

Illustrative



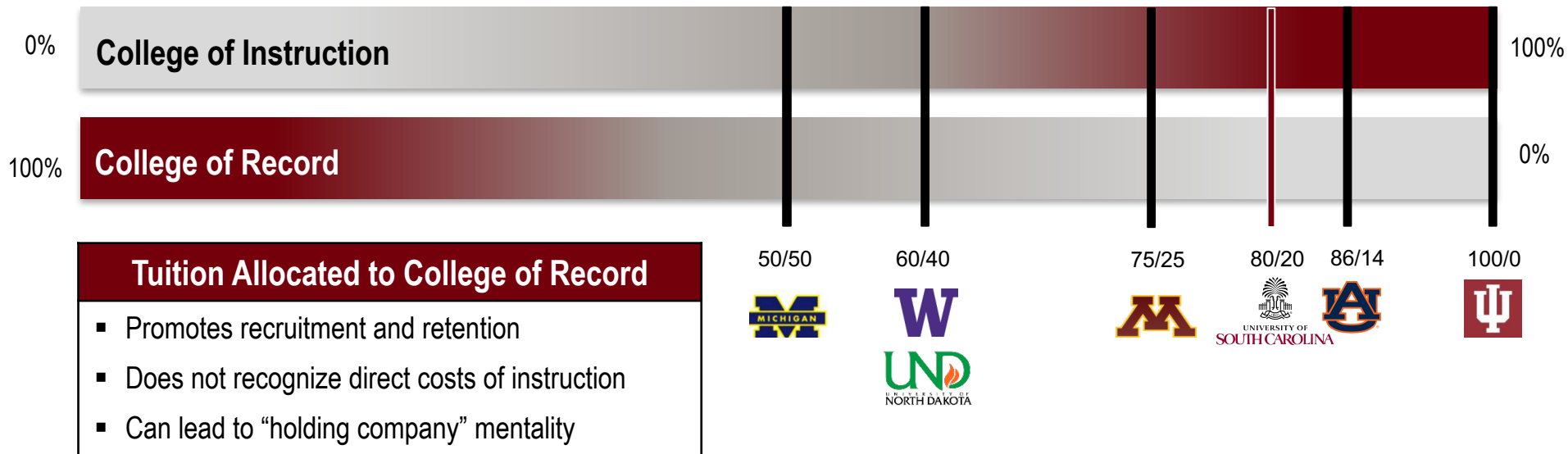
Undergraduate Tuition Allocation

The new budget model allocates general undergraduate tuition based on each academic unit's share of either instructed or enrolled student credit hours.

Tuition Allocated to College of Instruction

- Recognizes direct costs of instruction
- Incentive for course competition and redundancy
- Misaligned incentives for academic advising

Distribution of Undergraduate Tuition Revenue Examples



Tuition Allocated to College of Record

- Promotes recruitment and retention
- Does not recognize direct costs of instruction
- Can lead to “holding company” mentality



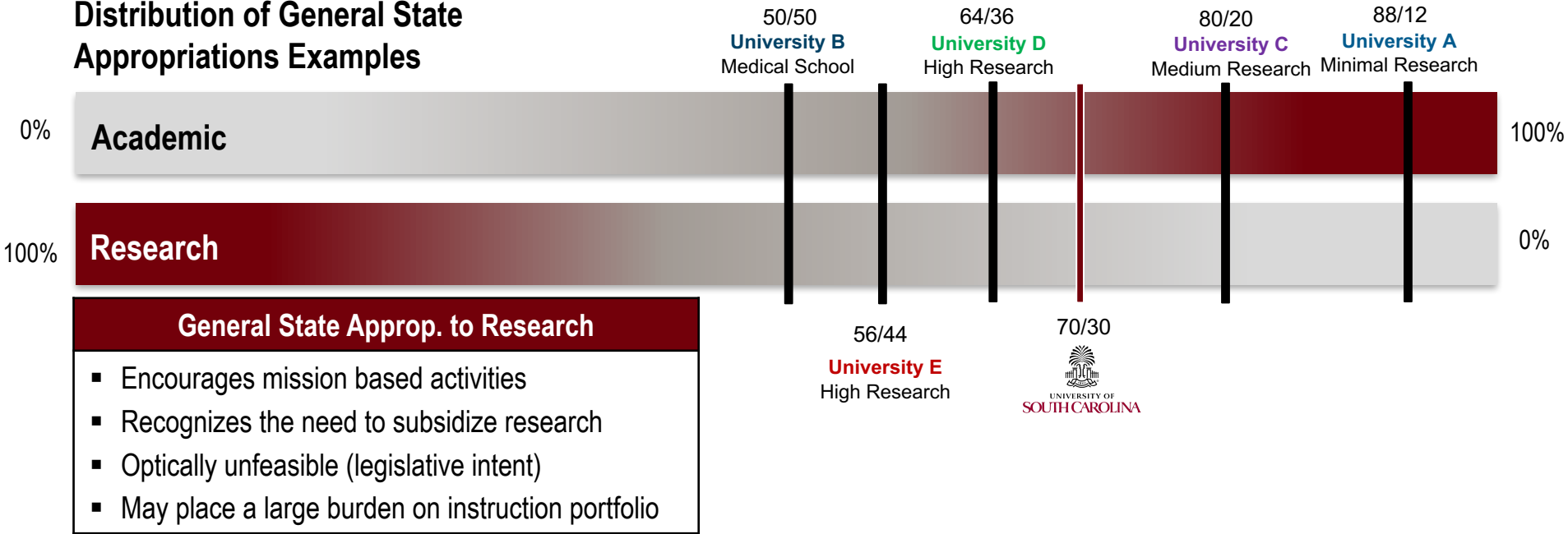
State Appropriations Allocation

State appropriations are allocated based on each academic unit's share of sponsored revenue to support research, and student enrolled credit hours to support instruction.

General State Approp. to Academic Programs

- Promotes externally funded research
- Often aligns with legislative intent
- Creates a lopsided funded model
- Increases risk for research portfolio

Distribution of General State Appropriations Examples



General State Approp. to Research

- Encourages mission based activities
- Recognizes the need to subsidize research
- Optically unfeasible (legislative intent)
- May place a large burden on instruction portfolio



Cost Pool Allocations

USC's support units have been grouped into eleven cost pools; net expenditures will be allocated to academic units based on specific activity-level metrics.

Cost Pool	Illustrative Support Units	FY17 Net Expenses	Allocation Metric
Central Services & Administration	Admin & Finance, Finance, Business Affairs, Human Resources,	\$66.2MM	Total Employee FTE
Facilities	Facility Services, Utilities, Facilities Operating Projects	\$48.9MM	Net Assignable Sqft
Enrollment & Scholarships	Enrollment Management, Scholarships, Trio Programs	\$28.7MM	UG Student FTE
Information Technology	University Technology Services, OneCarolina	\$20.8MM	Total HC
Libraries	University Libraries	\$18.0MM	Student FTE + Faculty FTE
Academic Affairs	Faculty Senate, Provost, Graduate School, International Programs	\$17.8MM	Student FTE + Tenure-Track FTE
Research	Office of Research/Research Administration	\$5.0MM ¹	Sponsored Revenue
Academic Access & Degree Completion Programs	On Your Time, Palmetto College Administration, Distributed Learning	\$3.9MM	UG Student FTE
Executive Affairs	Board of Trustees, President, Legal Affairs, Economic Engagement	\$3.1MM	Total Direct Exp. (Less Transfers)
Academic Support & Student Services	University 101, Residential Learning Centers, Student Affairs – Admin, Academic Support Services	\$2.3MM	Student FTE
Honors College	Honors College	\$1.4MM	UG Student FTE

¹ – One time revenue items amounting to \$4.2MM were removed to be more reflective of future years



Other Critical Model Decision Points

In addition to the allocation methodologies previously discussed, below are four additional model decision points that have been made by the Steering Committee during model development.

Decision Point	Description
1) Graduate and Summer Tuition	<ul style="list-style-type: none">▪ Graduate and summer tuition will continue to be directly assigned to the unit responsible for generating the revenues
2) IDC	<ul style="list-style-type: none">▪ Allocate 100% to campus units where IDC is generated
3) Central Funding Mechanism	<ul style="list-style-type: none">▪ Used to address mission-critical needs and university-wide priorities▪ Sourced from a participation fee (tax) and legacy model adjustment
4) Carryforward	<ul style="list-style-type: none">▪ Current carryforward tax policy will continue to be applied moving forward▪ No retroactive changes to prior year carryforward amounts

Moving to an incentive-based budget model requires many decisions regarding the model's scope, structure, and methodology, which have been decided through a highly iterative process.



Budget Model Redesign

Moving Forward



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Model's Impact on Decision Making

Incentive-based models have the potential to materially transform institutions over a five to ten-year period as they change the culture of decision making.

- **President's Executive Council:** remove luxury of “all things to all people” by forcing difficult decisions
 - Institutions understand how colleges and schools are creating and using resources
 - Allocations reflect the institution's mission and act as “value judgments” for institutional units
- **President, Provost, and COO:** force clarity regarding priorities and strategic initiatives
 - Through the design of incentives, priorities have meaning and produce funding for local units
 - There is full transparency in how resources are used to promote strategic initiatives
- **Deans:** know the full-cost of activities (academic programs, research, etc.) and prioritize them through cross-subsidies between their revenue generating activities and their mission-driven activities
 - Program growth is no longer a question of simply “doing more with less”
 - Promotes understanding that research activities lose money and must be subsidized
- **Central Support Units:** connect service levels and resource levels
 - Administrative budgets must be justified and paid for by revenue producing units, which introduces enhanced accountability
- **Department Chairs and Faculty Members:** see how activities drive funding for their respective units
 - Incentivize innovation in the classroom, much like incentives for innovation in research



Ongoing Efforts

In order to continue progressing the University's budget model redesign initiative, the following next steps have been identified:

- Continue refining governance structures, reports, and tools to enhance the operationalization of the new budget model
- Optimize the annual budget process to accommodate the new budget model
- Finalize multiple years of the model to show effect of the new budget methodology over time
- Continue preparing for implementation of the new incentive-based budget model for a target go-live date of July 1, 2019





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Breakout Sessions



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Division of Information Technology

Updates

Dr. Douglas Foster

Vice President of DoIT

Security Enhancements

- More than 75,000 individuals registered for multifactor authentication through for Duo Security
- New employees required to complete SANS Securing the Human online IT security awareness program to increase knowledge of safe computing practices
- A more secure Virtual Private Network (VPN) that allows 10x more users than before was introduced
- New SPAM filters and email threat protection programs
- Cameras, secure server racks, and other security measures were added to the university Data Center



Research Computing Resources

- Introduced Hyperion, a 300 TeraFLOP HPC cluster providing 15 times more hardware and 30 times more performance; expanded computational resource capabilities from 500 to 6,760 compute cores
- Seminars regarding the Linux computing environment, Python/ iPython programming and more to allow collaboration among researchers; Symposium on Research Computing welcomed more than 100 researchers
- Partnered with IBM, who donated an OpenPOWER server and two high-end GPUs to the HPC environment
- Nvidia helped expand virtual reality capabilities through the donation of a P-100 GPU with 16 GB memory and 6,000 GPU cores for compute-intense calculations and three M-6000 GPUs each with 24 GB memory and 3,072 GPU cores



Modernization

- Multi-year project to upgrade the campus wireless infrastructure is underway
- Began implementation of Banner 9 that will bring a fresh user experience, new tools, an enhanced navigation experience and a more consistent look and feel

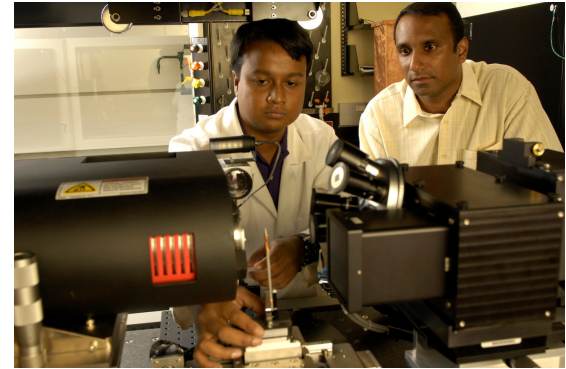


- Comprehensive Identity and Access Management program will provide a single sign-on for all students and employees, eliminating the need to maintain multiple passwords; will be easier for students and employees and reduce administrative overhead
- Employee email being moved to the Cloud to allow greater collaboration among students, improved functionality, and larger mailbox sizes



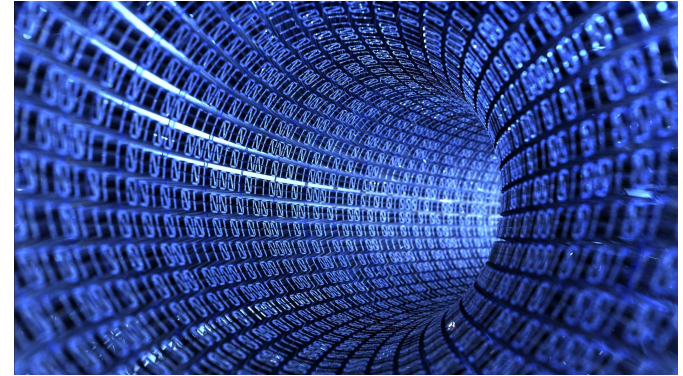
Teaching and Technology

- Partnered with the Center for Teaching Excellence to hold the first Educational Technology Showcase, aimed to improve the teaching and learning environment and spotlight the latest technology used by higher education instructors
- Upgraded Blackboard to enable assignment reminders for students, assignments submission receipts, a new inline grading tool, and the ability to drop and drag files and folders
- Offered training on Office 365 tools including Teams, SharePoint, and more
- Reorganized Blackboard and Classroom Support under Teaching and Learning Technologies organization



Data and Analytics

- Hired Data Standards Program Manager and purchased the Data Cookbook to manage data definitions, improving the visibility of existing reports and providing clear, agreed-upon terms for the creation of new ones.



- Partnered with the Division of Student Affairs on analytical program utilizing Beyond The Classroom Matters® and Banner to link participation in experiential programs to academic outcomes
- Hiring Business Intelligence lead to develop reporting and analytics practice



IT Governance

Decision Making Bodies:

- IT Executive Board
- Student Systems Council



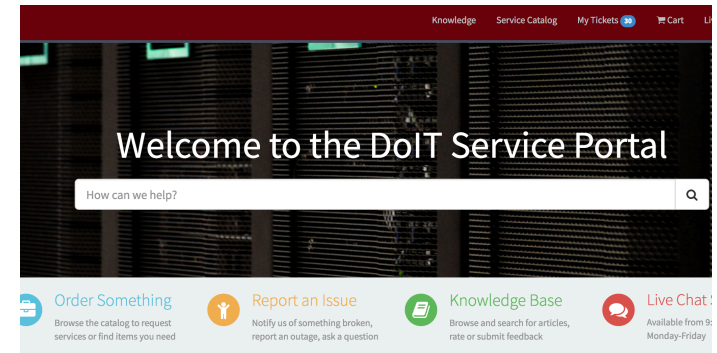
Advisory Groups:

- Technical Review Board
- Faculty & Staff IT Advisory Committee
- Student IT Advisory Committee
- IT Security Advisory Committee
- Faculty Senate IT Committee
- Research Computing Advisory Committee



Service Improvements

- Introduction of a self-service portal, <http://sc.edu/ithelp>, to allow for easy request of technology assistance
- Enhanced Knowledge Base, which provides step-by-step instructions to address common IT requests such as password resets
- ServiceNow tool to manage simple questions by customers or large incidents. Over time, added benefits will include: improved problem management and change management
- Change Advisory Board established to review all changes and modifications to IT services to minimize risk and reduce conflicts



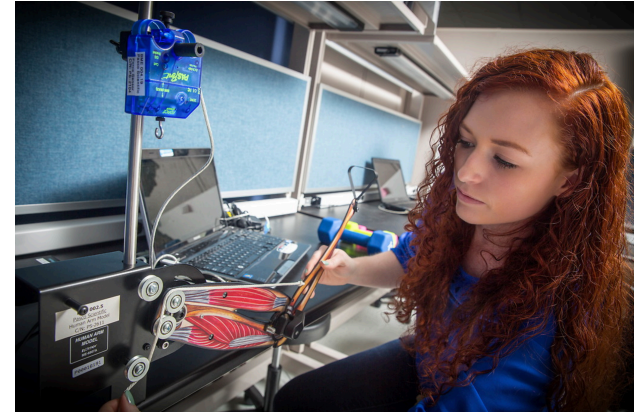
PeopleSoft Payroll and HR

- Completing final step to replace the university's 30-year-old payroll system ; when fully implemented in early 2019, the system will significantly improve compliance, reduce risk, provide better data for decision making, and increase standardization and best practices across the institution
- The decommissioning of the university mainframe is underway; no longer cost-effective to operate and will be the final step toward modernizing these critical business processes and reducing risk



Expanded Offerings

- Negotiated contracts with Amazon, Google, and Microsoft to enable cloud solutions to improve service offerings
- System-wide license to MATLAB, a high-level language for scientific and engineering computing
- Qualtrics licenses available to faculty and staff across the university for the creation of surveys related to their work and/or academic studies
- Blackboard Ally, which helps build more inclusive learning environments and improve the student experience by making digital course content more accessible



Strategic Priorities: 2018-2021

1

Advance the academic and research missions of the university

2

Deliver a robust student experience

3

Improve administrative efficiencies

4

Establish a best-in-class service delivery model

5

Provide a reliable and flexible technology infrastructure



Welcome Back

- SACS
- Conflict of Interest
- Survey
- Questions

