

**SOUTH DAKOTA BOARD OF REGENTS**

**Planning Session**

**AGENDA ITEM: 4 – J**  
**DATE: July 31 – August 2, 2023**

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**SUBJECT**

**Program Productivity**

**CONTROLLING STATUTE, RULE, OR POLICY**

[BOR Policy 2:34](#) – Board of Regents Academic Program Evaluation and Review  
[SDBOR Strategic Plan](#)  
[SB55 Recommendation Report](#)

**BACKGROUND / DISCUSSION**

Academic programming is a critical component of the university system. First, programs provide opportunities for recruitment and enrollment for students. Second, programs provide the much-needed workforce for the state and the nation. Students that complete the requirements receive their degree based on the academic program of study.

All programs must be approved by the Board of Regents. Once they are approved, they are then evaluated to ensure they meet the academic quality requirements of accreditation. The Higher Learning Commission (HLC) requires a review and comprehensive evaluation and assessment of academic programs. Special program accreditation requires extensive criteria for program quality.

Legislative Session 2020 required the evaluation of low-enrolled programs and course enrollments. Therefore, the Senate Bill 55 (SB55) academic sub-committee was initiated to evaluate best practices and policy implications.

**SB55 Taskforce Recommendations**

The SB55 academic sub-committee recommended the Regents to **Revise the Program Productivity Policy and Guidelines** to the following:

- adopt EAB’s recommendations for best practices as provided in Attachment I (EAB document, “Rightsizing the Program Portfolio”);
- implement annual program review using a prescribed initial set of metrics, including data from Banner Workload;
- determine a secondary set of metrics that may justify the continuation of a flagged program if termination/inactivation is not feasible or practical;

(Continued)

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**INFORMATIONAL ITEM**

- Board of Regents will manage all data standards, data mining, and program reporting so all institutions are subject to standards for program review;
- allow faculty and students an opportunity to provide input on programs that are flagged for low productivity;
- set a specific timeline for a follow-up review that requires that a program (a) reaches productivity benchmarks, or (b) is terminated/inactivated; and
- align new program proposal and approval processes with Program Productivity Policy and Guidelines.

### **SDBOR Strategic Plan**

From the results of the SB55 Taskforce, the Board of Regents approved their 2022-2027 Strategic Plan. Goal 3, Academic Excellence, specifically addresses the SB55 recommendation.

### **Goal 3: Academic Excellence, Student Outcomes, and Educational Attainment**

South Dakota public universities and special schools shall focus on student success while providing a quality educational experience.

#### **Objective: Academic Excellence**

An objective connected with the goal of academic excellence includes enhancing mission critical resources for academic programming. The assignment of implementing a new program review and evaluation policy was completed. BOR Policy 2:34 was approved in March of 2022 for implementation starting in the Fall of 2022. Second, a set of system metrics has been developed to be used for program evaluation. Attachment II represents a high-level summary of the policy.

### **Program Evaluation**

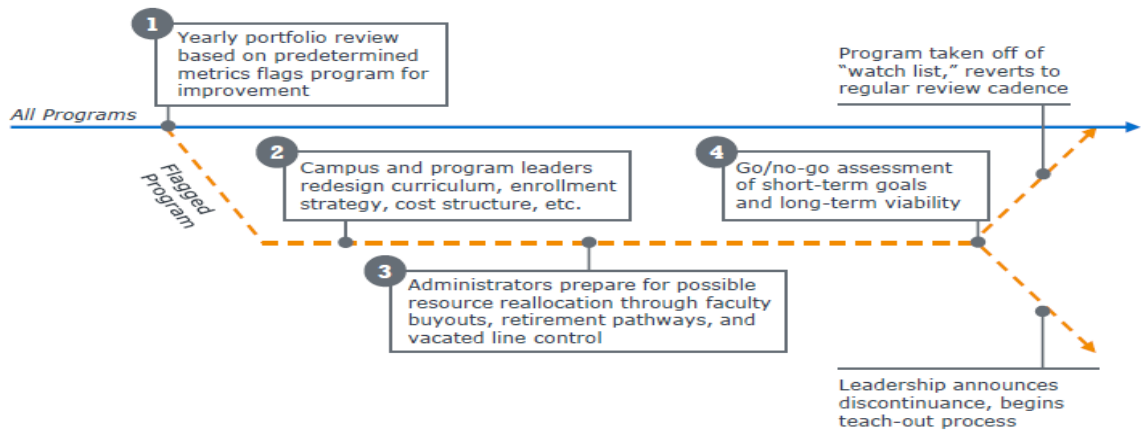
Program evaluation focuses on multiple initiatives. First and foremost, the academic quality of programming and the institution is the foundation for student success. A healthy program evaluation policy allows the institutions the opportunity to evaluate on a more regular basis. BOR Policy 2:34 includes both quantitative and qualitative methods in the review. There are multiple reviews within the policy.

1. **Annual Evaluation:** The approved policy now requires that an annual evaluation of general metrics be evaluated. The primary purpose is to ensure that all programs have an opportunity to be viable based on the program requirements set forth by the Board of Regents. EAB provides an illustration of their interpretation of best practices for a program evaluation process (Page 8)<sup>1</sup>. Key Performance Indicators (KPIs) were created to facilitate the annual review process. They are used internally for the departments to begin assessing the program(s).

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<sup>1</sup> EAB. 2019. Rightsizing the Program Portfolio: Executive Imperatives for Balancing Revitalization and Discontinuance.

**Graph 1: EAB Example**  
**Illustrative Process for Annual Program Review**



From the annual evaluation, a program may be placed on a watchlist to allow the academic leadership the opportunity to evaluate the program with the department. From the annual evaluation, the next phase is the three-year mid-cycle evaluation.

2. **Three-Year Mid-Cycle Evaluation/Program Productivity:** Each program will have a more formal evaluation during the three-year mid-cycle at the institution. The programs in the three-year mid-cycle are also evaluated for program productivity. The policy sets forth the following standards for flagging programs.

**Table 1: Key Performance Indicators (KPIs)**

Degree Level	Degrees Conferred 1 Year	OR	Degrees Conferred 5 Years	Enrollments average 3 Years (previous 3)
Associate's	5		25	15
Bachelor's	7		35	25
Master's	4		20	15
Professional, Terminal, Doctoral	1		5	7

A program will be notated as flagged or not flagged based on the above criteria. When the program is flagged it will need to be formally evaluated with a recommendation to the Board of Regents. This recommendation will be provided to the Regents by the institution based on their overall quantitative and qualitative evaluation.

After the three-year phase, then the program has a comprehensive evaluation at the conclusion of the sixth year.

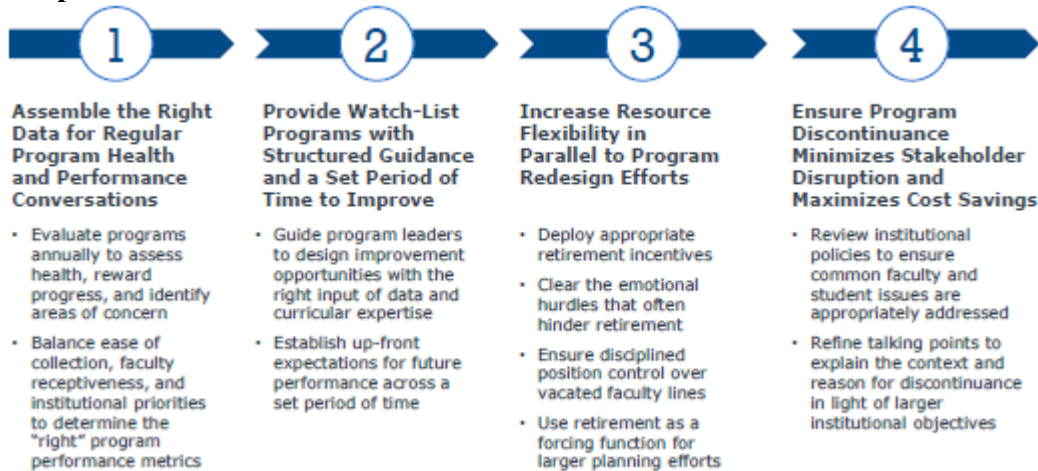
3. **Six-Year Comprehensive Evaluation:** The six-year cycle is a comprehensive evaluation that includes the assessment of the program. This is required by the Higher

Learning Commission (HLC) and any special program accreditation. The special accreditation timeline may have a different timeline to follow.

### **Quantitative Data Metrics**

Graph 2, from EAB's Rightsizing the Portfolio Study<sup>2</sup>, provides the top four imperatives for program review success. In working through the implementation of the program metrics, the goals outlined by EAB were utilized.

**Graph 2:**



Source: EAB Interviews and analysis.

To implement system data metrics, the Board of Regents opted to utilize a standardized software solution to identify the data for KPIs. This tool is a data visualization and reporting tool allowing department heads/chairs, deans, and academic leadership access to important information for the evaluation of their programs. With the recommendation from the SB55 Taskforce and the approval of the new BOR Policy 2:34, the data metrics currently utilized include the following:

1. Attempted University Student Credit Hours
2. Attempted College Student Credit Hours
3. Attempted Department Student Credit Hours
4. DWF(I) Grade Percentages
5. Total Number of Faculty by Tenure
6. Faculty by Tenure Attempted Student Credit Hours
7. Number of Sections Taught by Faculty by Tenure
8. Students Served – In Major at Campus/Not in the Major at Campus/System
9. \*Future Metrics – Instructional Revenue to Expenditures

<sup>2</sup> EAB. 2019. Rightsizing the Program Portfolio: Executive Imperatives for Balancing Revitalization and Discontinuance.

To facilitate discussion on the program evaluation process, two (2) examples are provided. Example 1 displays a program where enrollment and completion meet the requirements of the policy, whereas, Example 2 displays a flagged program that does not meet the policy threshold of completions and enrollments.

Example 1:

An example of the dashboard on the Attempted Student Credit Hours displays the KPI for a University, College, and Department at the undergraduate level. This program is considered healthy for their enrollment and their completions at the university.

The KPI details on conferrals and enrollments for this example are provided in Table 2.

**Table 2**

Program	1 Year Actual Conferral	1 Year Target Conferral	5 Year Actual Conferral	5 Year Target Conferral	3 Year Actual Enrolled	3 Year Target Enrolled	Flagged	KPI
Bachelor's	70	7	260	35	162	25	No	GREEN

Attempted Student Credit Hours (SCH) in Course Institution

\* Date Range, Course College, Course Department, and Course Prefix filters do not apply to these KPIs.

Attempted SCH in Institution

151,354

Attempted SCH in Institution by Own Majors

145,068

Attempted SCH in Institution by System Service Majors

6,286

Attempted Student Credit Hours (SCH) in Course College

\* Date Range, Course Department, and Course Prefix filters do not apply to these KPIs.

Attempted SCH in College

15,214

Attempted SCH in College by Own Majors

9,935

Attempted SCH in College by Inst Service Majors

220

Attempted SCH in College by System Service Majors

5,059

Attempted Student Credit Hours (SCH) in Course Department

\* Date Range and Course Prefix filters do not apply to these KPIs.

Attempted SCH in Department

6,426

Attempted SCH in Dept by Own Maj

4,692

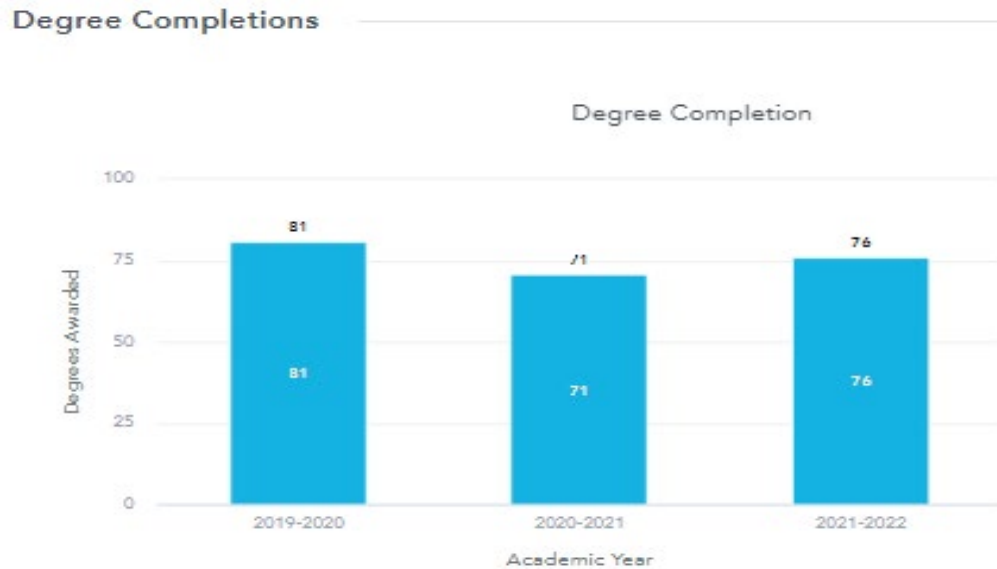
Attempted SCH in Department by Inst Service Majors

1,658

Attempted SCH in Department by System Service Majors

76

### Degree Completion Benchmarking



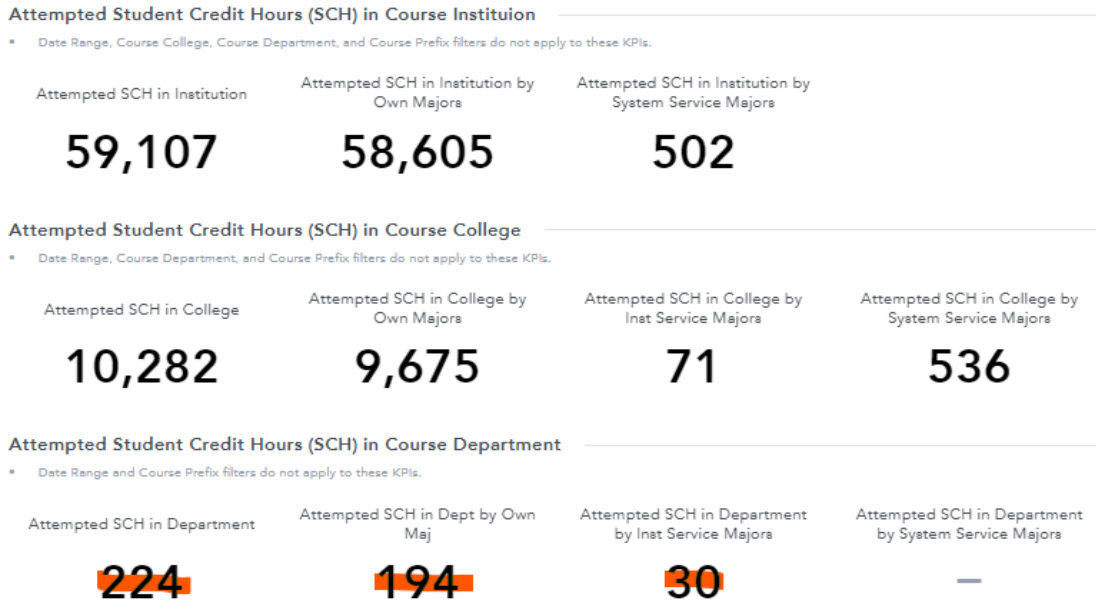
The above quantitative data example displays the total university undergraduate generated hours in the first row of KPIs on generated student hours. The college-generated hours are listed in the second row and approximately generate 10% of the undergraduate university total credit hours. The department-generated hours equate to approximately 42% of the college and approximately 4% of the university's total hours. When highlighting the last row of data, the total generated undergraduate student credits totals 6,426; whereas 4,692 hours include students enrolled in the program major. However, 1,658 credits are student credit hours by university students taking the courses from this department and are not enrolled in the program major/department. Lastly, 76 generated credit hours are by students outside the university within the system taking courses from this department. The degrees conferred provide a bar chart to display academic year trends.

Example 2:

This example provides a program that will be flagged for program productivity at the graduate level. The policy sets the standards (KPIs) for flagging programs. The program that was flagged had the following completion and enrollment actuals which did not meet the KPI thresholds.

Program	1 Year Actual Conferral	1 Year Target Conferral	5 Year Actual Conferral	5 Year Target Conferral	3 Year Actual Enrolled	3 Year Target Enrolled	Flagged	KPI
Master's	1	4	15	20	9	15	Yes	RED

Additional details are provided based on the student-generated hours. This is a critical aspect of program evaluation as it begins to outline the quantitative data around program health.



### Degree Completion Benchmarking

The above example displays the total number of university graduate-generated hours. The college-generated hours are listed in the second row and generate approximately 17.4% of the graduate university total credit hours. The department for this program generated graduate credit hours equating to approximately 2% of the college and approximately 0.03% of the university graduate total credit hours.

When highlighting the last row of data, the total graduate-generated student credit hours equal 224 hours. Of the 224 hours, 194 hours include students enrolled in the graduate program major. Likewise, of the 224 hours, 30 hours are graduate credit hours by students outside of the reporting department that are taking courses from the reporting department. There are no generated hours taken by students outside of the university in the Regental system taking courses from this department. The degree completion chart provides a snapshot of academic year conferrals.

While the KPIs continue to be developed, the institutions now have data they can evaluate annually to facilitate their program health. This data can be regularly accessed by academic leadership at any time during the academic year.

### BOR Reporting Policy

The institutions will report to the Board of Regents at their October 2023 BOR meeting with their recommendations for programs that are flagged. They can select one (1) of the four (4) recommendations: Program Closure, Program Moratorium, Retain with Further

Review, and Investment/Realignment/Augmentation. The report from the institutions will include both quantitative and qualitative support for their program recommendations. Institutions have been notified of the programs flagged due to the KPIs and are now beginning to work with the appropriate stakeholders to identify the appropriate recommendation.

#### **IMPACT AND RECOMMENDATION**

This item is an informational item for the Board of Regents. This will be the first time this policy will be utilized for program productivity. A full report will be provided to the Board of Regents at their October 2023 meeting with full recommendations from the institutions.

#### **ATTACHMENTS**

Attachment I – EAB’s Rightsizing the Program Portfolio  
Attachment II – Program Review Summary





**Who Should Read**

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Chief Business Officers

Finance Leaders

Provosts

Deans

# Rightsizing the Program Portfolio

Executive Imperatives for Balancing  
Revitalization and Discontinuance

## Four Ways to Use This Resource

- Adopt an annual program review cadence
- Provide academic leaders with guidance on revitalizing struggling programs
- Understand the hurdles to reallocating vacated faculty lines
- Audit program closure and student teach-out policies

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▶ Electronically access the resources referenced in this document: [eab.com/rightsizing](http://eab.com/rightsizing)

# Executive Summary

## Rightsizing the Program Portfolio

### Program Portfolio Optimization a Critical Necessity

To remain financially sustainable in an era of increasing cost and enrollment pressures, colleges and universities must better manage a balanced program portfolio that advances the institutional mission, responds to market demands, and contributes to the bottom line.

To this end, campus leaders are beginning to think more critically about the programs that they launch, knowing that the “if we build it, they will come” days are over. Yet, unlike the enthusiasm generated by launching new programs, efforts to reevaluate existing offerings often meet resistance from a broad range of campus stakeholders. Without an effective strategy to review and realign the academic program portfolio, institutions face an ongoing drain on financial and reputational resources.

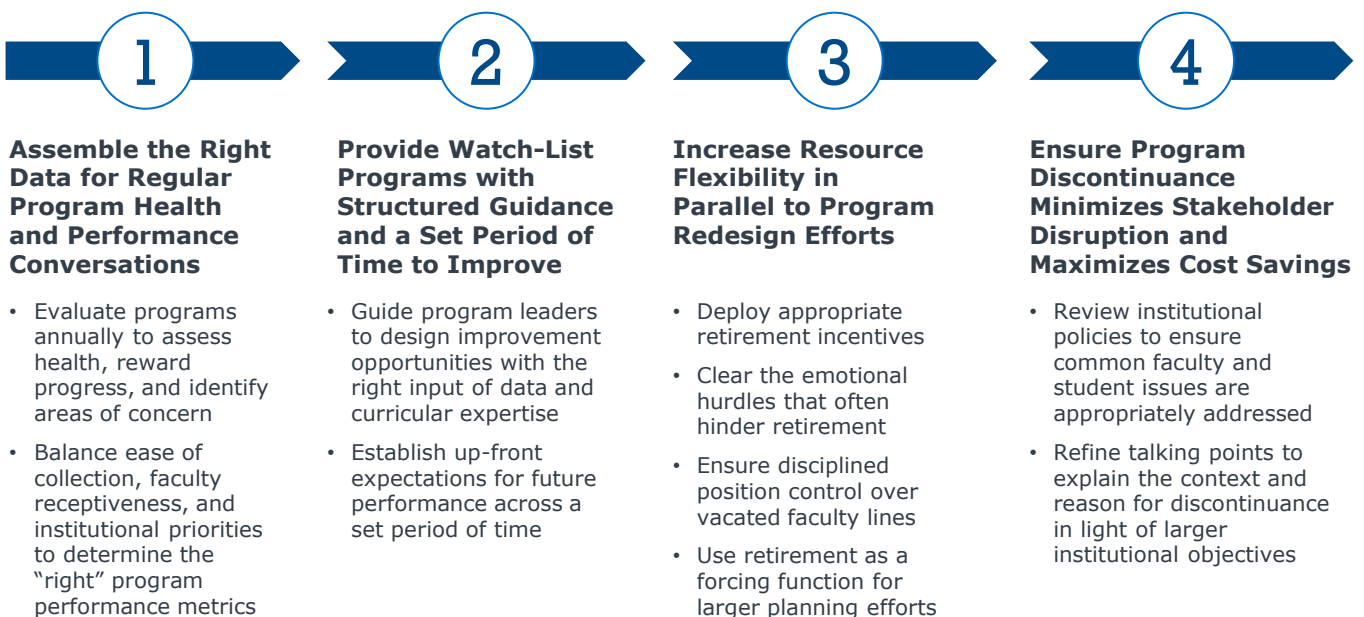
### In Need of a New Approach

EAB endorses a holistic approach to academic program review that fosters a continuous improvement mindset, rather than relying on one-off, herculean efforts.

Regular program assessments identify struggling programs early. Ideally, these interventions will translate to improvements. However, when revitalization is not successful, this method also eases the path toward downsizing or discontinuance. These decisions are never easy—and only with careful planning and communication can campuses expect to realize savings and reinvest resources into growth areas.

### Four Imperatives to Guide Campus Leaders

This resource focuses on the four imperatives listed below to guide campuses in transforming their program review processes. Leaders should begin implementing these imperatives now to condition their campuses to start working toward the long-term health of the academic program portfolio.



Source: EAB interviews and analysis.



# Introduction: In Search of a Method for Principled Program Review

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INTRODUCTION

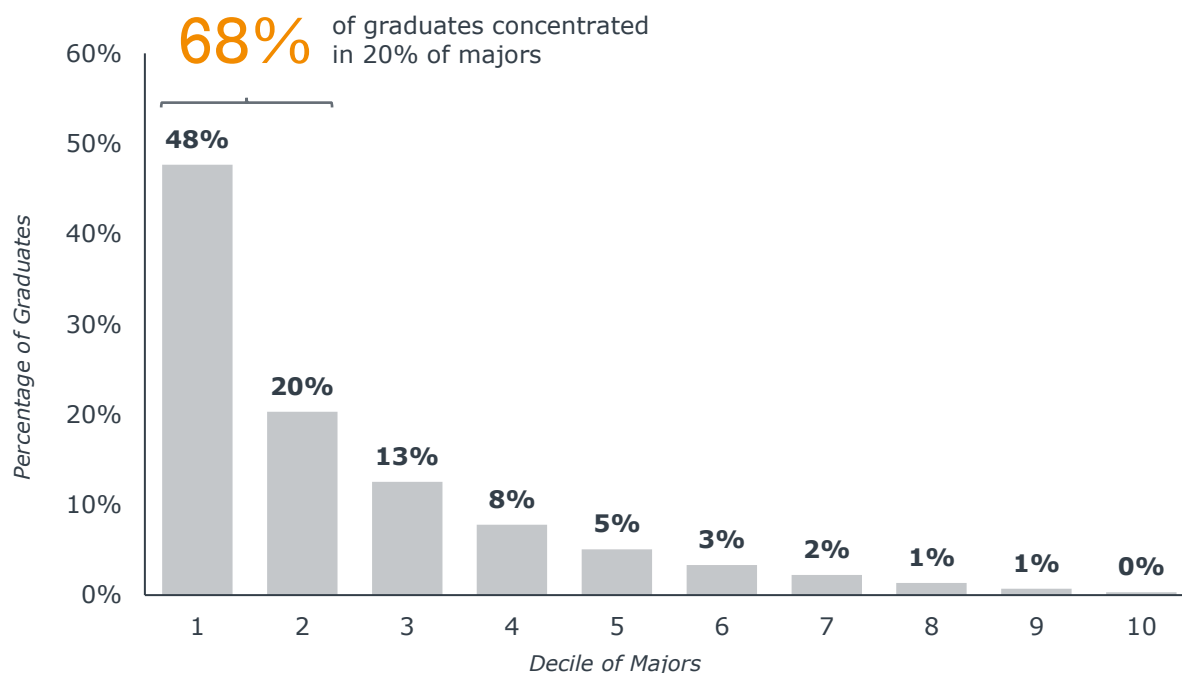
# The Cost of Being All Things to All Students

## Program Proliferation Continues to Weigh Down the Academic Budget

In response to increasing financial pressures and limited options for administrative savings, higher education leaders are turning their attention to the cost structure of the academy. Many campuses have allowed their program offerings to grow unchecked, leading to a proliferation of underutilized programs. This trend drives up both fixed costs (e.g., instructor salaries, space, impact on central resources) alongside hidden, “soft” costs (e.g., underutilized teaching capacity, under-enrolled niche courses, redundant administrative support).

### Majority of Students Concentrated in a Handful of Majors

EAB’s Academic Performance Solutions data shows that almost 70% of students are concentrated in the top two deciles of most popular majors at their respective institutions (n=51).<sup>1</sup>



Of course, every program has costs—and it’s worth the investment if the offerings bring in meaningful revenue or contribute to strategic objectives. The sprawl of programs at most institutions tells a different story, though. The data above from EAB’s Academic Performance Solutions shows a long tail of programs with few graduates. Given this reality, institutions are realizing they can no longer commit so many resources to low-revenue programs. Yet, unlike the enthusiasm generated by launching new programs, efforts to reevaluate existing offerings frequently trigger pushback. Absent an effective strategy to review and realign the academic program portfolio, institutions risk the gradual depletion of their financial and reputational resources.

1) Includes only undergraduate students registered for at least one gradable class who graduated during AY 2017. Weighted averages by total attempted student credit hours at the institution (n = 51).

## Between Two Extremes

### Traditional Program Review and Prioritization Fall Short on Outcomes

Efforts to evaluate the health of the academic program portfolio have historically taken two forms. The “default” method is periodic academic program review, in which departments conduct self-assessments and ask external reviewers to offer feedback. These exercises occur every five to ten years and focus on a program’s contributions to its discipline rather than to the institution’s strategic or financial goals. In almost every case, the final reports plead for additional resources, usually in the form of faculty lines, rather than propose a viable plan for change.

#### Comparison of Predominant Approaches to Program Review

Aspect	Traditional Program Review	Program Prioritization
<b>Periodicity</b>	Infrequent <ul style="list-style-type: none"> <li>Typically on a 5–10-year cycle</li> </ul>	Once <ul style="list-style-type: none"> <li>Most decide not to repeat</li> </ul>
<b>Focus</b>	Disciplinary <ul style="list-style-type: none"> <li>Emphasizes unit-driven goals</li> </ul>	Holistic <ul style="list-style-type: none"> <li>Often hundreds of metrics included</li> </ul>
<b>Scope</b>	One program at a time <ul style="list-style-type: none"> <li>Prevents comparison or portfolio analysis</li> </ul>	All academic programs <ul style="list-style-type: none"> <li>Designed to roughly rank and categorize</li> </ul>
<b>Assessment</b>	Informal <ul style="list-style-type: none"> <li>Subjective self-evaluations and external evaluations</li> </ul>	Reductive <ul style="list-style-type: none"> <li>Apples-to-oranges comparison required</li> </ul>
<b>Results</b>	Typically superficial <ul style="list-style-type: none"> <li>Incentive to request additional support</li> </ul>	Limited program consolidations <ul style="list-style-type: none"> <li>Cultural costs can outweigh cost savings</li> </ul>

Given the limits of the traditional approach, some institutions adopt a more aggressive method known as program prioritization. Here, campuses rank all academic programs into quintiles according to a set of standard performance metrics. Institutions then divest from the lowest-performing programs and redirect those resources to the highest performers.

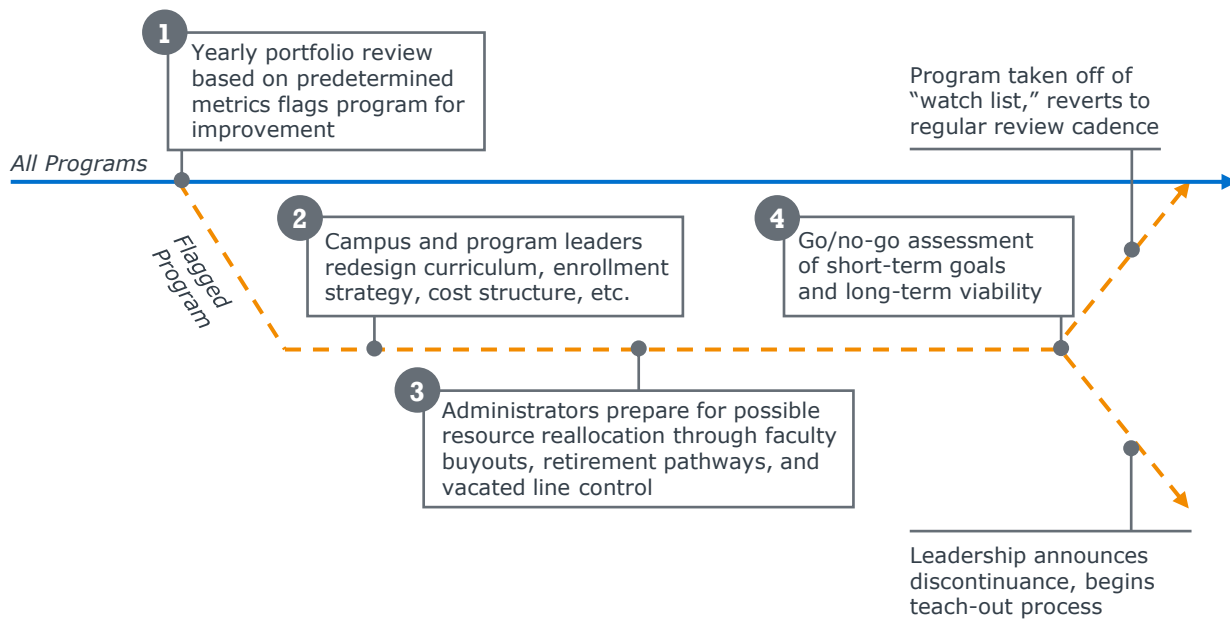
Though straightforward in theory, program prioritization demands an incredible amount of time, energy, and political capital. Importantly, prioritization often overemphasizes reallocation and cost cutting, failing to create the infrastructure to help department leaders and faculty review their performance and set goals for improvement. And with the exception of institutions in financial crises that have overcome resistance to cuts, the method usually results in the consolidation of some programs and shifting of faculty lines without actually reducing costs or reinvesting in high-performing programs. Most institutions that have pursued this method resolve never to do so again.

# The Right Tool for the Job

## Annual Program Review Builds a System for Continuous Improvement

Annual performance checks are the optimal middle ground between traditional program reviews and program prioritization. Consider the steps outlined below. A regular triage point poses minimal disruption to healthy programs but flags struggling programs for remedial action. Underperforming programs have an opportunity to redesign curriculum, adjust enrollment strategy, or improve their cost structure. After a predetermined period, programs are reevaluated for further investment or discontinuance. Best of all, annual review and early intervention lay the groundwork for a culture of continuous improvement, not just one-off solutions.

### Illustrative Process for Annual Program Review



A continuous improvement approach to program health and revitalization via annual reviews has several benefits. First, the interventions happen while there's still time to identify and address problems. Second, the improvements may actually work, eliminating the need for any tough discontinuance conversations. Third, this approach provides time to socialize the need for change. Giving faculty a chance to fix their program and realize what does and does not work is crucial to helping them understand the reality of their program's health. Fourth, this approach gives central administration the time to prepare crucial resources for reallocation in the event of program closure.

Leaders often lament that closing programs fails to reduce costs. Indeed, hasty closures typically result in only marginal savings, if any. But with sufficient lead time and planning, careful restructuring can lead to meaningful dollars to reallocate—or to reinvest back into the program if it proves worthy.



# For Best Results, Don't Delay

## Four Imperatives to Jump-Start a More Sustainable Review Cadence

To prime these politically delicate decisions for success, campuses should begin laying the groundwork now for conversations about program health. There are no quick fixes, but the model described in this resource can help campuses develop the right habits and disciplines around program rightsizing, revitalization, and—when necessary—discontinuance. The pages that follow outline four imperatives that campus leaders must follow in working toward a balanced program portfolio. These imperatives stem from common implementation questions from campus leaders.

### Common Program Review Questions



There are so many possible program metrics—how do I avoid overwhelming program heads and our IR<sup>1</sup> team?



How do I help program leaders develop a plan for revitalization that actually holds them accountable?



Is it possible to unlock some of the fixed costs of programs in order to reinvest them elsewhere?



Program closure is a big decision—how do I at least ease the logistical and emotional hurdles?



### Executive Imperatives

Imperative 1: Assemble the Right Data for Regular Program Health and Performance Conversations

Imperative 2: Provide Watch-List Programs with Structured Guidance and a Set Period of Time to Improve

Imperative 3: Increase Resource Flexibility in Parallel to Program Redesign Efforts

Imperative 4: Ensure Program Discontinuance Minimizes Stakeholder Disruption and Maximizes Cost Savings

Visit [eab.com/rightsizing](https://eab.com/rightsizing) to access resources referenced across the following pages.

### A Note on the Roles of Campus Leaders

Proactively managing the academic program portfolio requires an institution's senior leadership team to work together toward common ends. However, local conditions may determine who has the final say, particularly for discontinuance decisions or the underlying cost structure of programs.

At some institutions, particularly smaller colleges, the president, provost, and chief business officer will work together through each of the four imperatives. In other cases, the business officer may provide more of a supporting role—assembling financial data (Imperative 1) and creating policies to help unlock certain fixed costs (Imperative 3), while academic affairs takes the lead on program-specific decisions. Regardless of specific roles, the senior team must be in accord on the need for change and the data and processes to drive decision-making.

1) Institutional research.

Source: EAB interviews and analysis.





# Assemble the Right Data for Regular Program Health and Performance Conversations

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IMPERATIVE

1

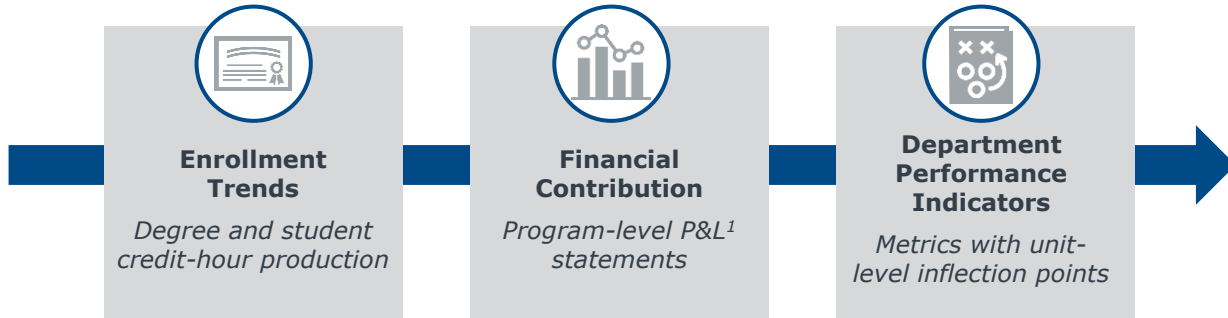
# The Right Data, at the Right Time

## Choosing Metrics for a Balanced, Low-Lift Snapshot of Program Health

Annual program reviews must begin with the right data. While institutions could target many possible metrics, the goal is to prioritize those that provide an accurate snapshot of program health without overtaxing data collection capabilities.

Campuses should consider three types of data. First, enrollment totals and trends form the backbone of most conversations about program health. Second, financial contribution offers visibility to the program's impact on the institution's bottom line. Third, departmental performance indicators point to unit-level inflection points within the purview of faculty to influence. This section discusses each of these categories of metrics in greater detail.

### Three Sources for Program-Specific Data



**These approaches are not mutually exclusive—but ability to move on any one depends on:**

- Data accessibility
- Campus culture and objectives
- Stakeholder buy-in

As a word of caution—data accessibility, campus culture, and buy-in from academic units will determine which combination of metrics will be most effective for any single institution. This is as much a political challenge as it is a technical one. In particular, faculty may fear that collecting data on program health will lead to negative outcomes. Engaging faculty early and often in dialogue around the data used for program review will help to ease suspicion that small programs are on the chopping block or that qualitative factors about a program will be ignored in favor of the bottom line.

1) Profit and loss.

# Five-Minute Enrollment Reviews

## Virginia Tech Tracks Program Health with Annual Enrollment Targets

Enrollment is the most common metric for assessing academic program health. Most institutions start here. The goal is to assess enrollment data in a nuanced enough way to identify issues and spark ideas for improvement. For example, Virginia Tech developed annual enrollment viability reviews for all programs. The straightforward reviews gave Virginia Tech sufficient insight to either restore program health or teach out struggling programs. Within two years of implementing the reviews, the number of under-enrolled programs at Virginia Tech decreased from 25 to only 6.



**Enrollment-Focused Program Review**  
**Program:** BA in Foreign Languages

Target FTE enrollment: 20 ●  
 Actual FTE enrollment (5-year average): 14  
 Change from previous: 0

Target degrees conferred: 5 ●  
 Actual degrees conferred (5-year average): 4  
 Change from previous: +1

Target student credit hours: 1000 ●  
 Actual student credit hours (5-year average): 820  
 Change from previous: -135

Does the program require additional attention?  
 Yes     No

➔ **Evaluation:** Proceed with program website and communication plan audits

### Leveraging Centralized Data

Virginia Tech's Office of Institutional Research pulls each year's program-level data every fall

5-year average smooths out unusual years and draw out trends

Degree output accounts for programs with high transfer-in rates

Credit hours account for programs with low enrollment, high workload

**76%**

Reduction in under-performing undergrad programs after two years, from 25 in 2013 to 6 in 2015

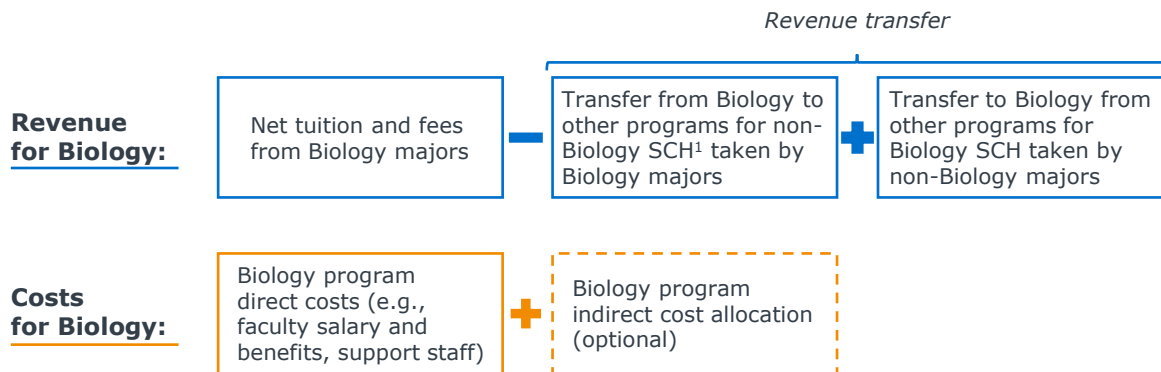
The success of Virginia Tech's enrollment-focused program reviews depends on access to simple, standardized metrics. Rather than pushing the data collection work on potentially reluctant faculty, the institutional research unit compiles all data, requiring only five minutes per program. Administrators then evaluate each program according to previously agreed-upon targets for FTE enrollment, degree output, and the number of credit hours produced. Programs that do not meet baseline goals or exhibit troubling trends must develop a plan for improvement in conjunction with the provost's office and enrollment management leaders. Programs that fail to meet goals within a three-year grace period face closure.

# Judging by the Margin

## A Formula for Calculating Program-Level Financial Contributions

The second set of data for assessing program health is based on financial contribution to the institution's bottom line. Given the difficulty of assigning a specific figure for programs to target, and the way that revenues and costs may fluctuate from year to year, some institutions assign margin targets. The formula and definitions below demonstrate one common methodology for calculating program-specific contribution margins, using an undergraduate biology major as the example. Additional cost-side considerations are discussed on the following page.

### Standard Contribution Margin Ratio Formula: (Revenue – Cost) / Revenue



### Unpacking the Revenue Transfer

#### Biology to English

1. Add all instructor salaries and benefits for English
2. Divide by the total SCHs produced in English to determine per-SCH English rate
3. Add all English SCHs taken by Biology majors
4. Multiply that number of SCHs by the per-SCH English rate
5. Transfer dollars to English

Overall, the equation runs as follows. The undergraduate biology program is credited net tuition revenue from its own majors, is charged at cost for other departments' courses taken by biology majors, and is credited at cost for biology courses taken by non-biology majors.

Notably, institutions calculate revenue credited to departments and programs with varying degrees of specificity. The methodology above is based on aggregated headcount. Some institutions differentiate by individual course (and instructor salary) to calculate the precise cost of each credit hour. Others employ a simpler revenue allocation exercise with an 80/20 split between majors and credit hours, similar to a revenue center management budget model. Unlike a budget model, however, this is purely an accounting exercise for the purpose of determining a department or program's financial health and contribution to the institution's bottom line.

# To Allocate or Not to Allocate

## Mathematical Rigor Useful Only to the Extent It Builds Consensus

Institutions that have successfully embedded profit and loss analysis into their program reviews have done so by continually engaging faculty in refining the model. The table below outlines additional considerations for profit and loss models that potentially provide a more precise read on the financial health of programs. One important caveat: greater data specificity is useful only to the extent it builds consensus. Many campuses report that their results largely confirmed what leaders already suspected about program performance. So, the goal is to create a model that gets the rest of campus on board.

### Complicating Considerations in Program Profit and Loss Models

Revenue Allocation Considerations	Direct Cost Allocation Considerations	Indirect Cost Allocation Considerations
<ul style="list-style-type: none"> <li>• Average per-student tuition v. actual tuition per student</li> <li>• In-state v. out-of-state tuition</li> <li>• Department-generated revenues</li> <li>• External research funding</li> </ul>	<ul style="list-style-type: none"> <li>• Special types of courses (e.g., team-taught courses, labs, independent studies)</li> <li>• Separate allocation of faculty salaries to research and/or service time</li> <li>• Course releases</li> <li>• Unfunded research costs</li> </ul>	<ul style="list-style-type: none"> <li>• Fully loaded v. net direct contribution model</li> <li>• Department, college, and total university overhead</li> <li>• Distinction between indirect costs utilized by undergrad/grad students</li> <li>• Headcount v. usage allocation formula</li> </ul>

While margin analysis offers campus leaders a standardized assessment of campus offerings and identifies those that need additional attention, variation by discipline must still be taken into consideration. Not every program needs to be net-positive to justify its value to the institution, and problem areas are identifiable more by exception than by rule. For instance, a language program with a negative margin when most languages are positive may be cause for concern. Conversely, a sciences program with net-negative but stable margins over several years may not merit immediate intervention.

# Academic Vital Signs

## Department Indicators Connect Performance to Strategic Goals

The third metric-based approach for assessing program health relies on department-level performance indicators. Many institutions track the common set of institutional metrics in the second column below. However, it can be difficult for faculty to see how their activities at the department level directly affect strategic priorities such as cost efficiency, enrollment growth, and student outcomes.

### EAB-Endorsed Department Performance Indicators

Institutional Priority	Common Institutional Metric	Department Performance Indicator
Cost Efficiency	Operating Expenditures Average Class Size Student-Faculty Ratio Standard Faculty Workload	Instructional Capacity Gap
		Student Credit Hours per Faculty FTE
		Unfunded Course Release Targets
Enrollment Growth	Total Enrollment Size of Entering Class Native Student Major Enrollment	Major Migration
		Off-Peak Enrollment
		External Demand
Student Outcomes	Graduation Rates First-Year Retention Rate Average Student Debt	D, F, Withdrawal Rates
		Junior Graduation Rate
		Experiential Learning
Scholarship	Research (Grant) Expenditures Number of Publications Doctoral Program Size	Holistic Outputs
		Effort Metrics
		Post-Tenure Promotion
Faculty Diversity and Inclusion	Underrepresented Share of Faculty	Pipeline Stage Conversion Rates
		Retention and Advancement Disparities

Download EAB's *Academic Vital Signs* at [eab.com/rightsizing](http://eab.com/rightsizing).

Department-level metrics, listed in the third column above, offer faculty and department leaders tangible signs of progress toward institutional objectives. Enrollment trends and operating expenses are still important to track, but departments might instead keep an eye on their instructional capacity gap or unfunded course releases, an easier way of measuring a program's contributions to overall financial savings.

For a more detailed overview about why EAB endorses the department performance indicators above, and how to run each calculation, download the *Academic Vital Signs* resource at [eab.com/rightsizing](http://eab.com/rightsizing).



# Designing an Effective Program Evaluation Process

## Six Principles to Guide Continuous Improvement

Campus leaders, working with academic units, need to create an ongoing process to review data, set goals, and diagnose departmental challenges. Regardless of which combination of the three metric approaches (enrollment, financial contribution, or department performance indicators) an institution adopts, the six principles outlined below stand out as common to the most effective program evaluation processes. And while individual campuses may adopt methodologies that suit their own needs, the structure of these reviews should seek to align with the principles below.

### Guiding Principles for Annual Reviews

#### 1 Find the Right Frequency

*Hold a formal evaluation conversation, at least annually*

An annual review is a data-informed discussion with key decision-makers based on a common data set to ensure accuracy and efficiency

#### 2 Make it Easy

*Minimize self-reporting burden on department chairs*

A single data source alleviates burden on department chairs, who are not trained to analyze data, and makes comparisons across departments feasible and productive

#### 3 Know Where You Stand

*Share data on internal and external benchmarks openly*

Without creating a competitive atmosphere, departments can benchmark their performance against other departments and focus on areas for improvement

#### 4 Make It Matter

*Reward improvement with recognition and resources*

Rewards should be discretionary, such as funding that can be used for one-time expenses

#### 5 Open the Black Box

*Connect performance and data to major resource decisions*

Provosts and deans should use the data to inform resource decisions and make their reasoning transparent

#### 6 Keep It Focused

*Prioritize 2–4 goals to focus on each year*

Annual reviews should result in only two to four goals for departments to focus on throughout the year

Ultimately, the process must provide clarity as to what actions departments need to take and why they are important. The reviews also need to be informed by data from an agreed-upon source that is placed in an institutional context. The remaining imperatives outlined in this resource will help campus leaders aiming to drive change within their program portfolio while adopting an annual program review cadence.





# Provide Watch-List Programs with Structured Guidance and a Set Period of Time to Improve

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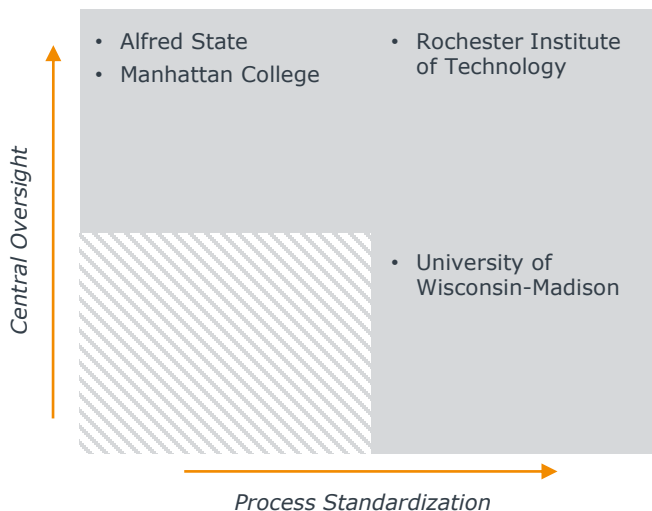
# Methodologies for Pursuing Program Revitalization

## Leaning into Central Oversight and Process Standardization

While a regular program review cadence can identify underperformance, it is not enough just to flag at-risk programs. The next step is to respond and strive for revitalization. Given the lack of a universal, one-size-fits-all playbook, improvements must be designed by those who know the program best, but in accordance with a replicable and scalable approach.

The figure below maps program improvement efforts based on two variables. On the vertical axis, increasing central oversight of recovery efforts drives accountability and outcomes. On the horizontal axis, standardizing revitalization procedures saves time and ensures consistency. As institutional climate allows, leaders should push out on at least one of these variables. The following pages will explore methods in the three shaded boxes.

### Methods for Diagnosing and Addressing Program Issues



### What Targeted Improvement Opportunities Accomplish

- ▶ **The improvements might work**, eliminating the need for more drastic intervention
- ▶ **Effective change management** necessitates giving faculty a chance to turn things around—and admit change is necessary
- ▶ **Buys time for long-term planning** as the likelihood of improvement becomes clear
- ▶ **Some solutions may be scalable** and possible to replicate for other underperforming programs

No matter the approach, time is of the essence. Too often, institutions keep struggling programs on perpetual watch lists without ever providing motivation to change. Remaining in limbo can also diminish faculty productivity and engagement. Instead, campuses must set targets of two to three years to demonstrate evidence of a turnaround—or even less in the case of continuing, professional, or online programs. Revitalization efforts should also prioritize reinvestment in programs that demonstrate measurable progress, even if these programs need extra time to meet projected goals.

# Not an Either/Or Scenario

## Revitalization Can Lead to Different Organizational End-States

Notably, program revitalization is not an either/or scenario, in that a program is either “fixed” or eliminated completely. Indeed, many programs can be productively scaled down while retaining the most valuable or mission-critical components. Below is a spectrum of models campuses have pursued in seeking program—and institutional—health. Improvement of any kind is a worthy goal. Campus and program leaders should keep this maxim in mind as they embark on revitalization efforts.

### Possible End-States of Program Review and Revitalization

End-State	Description	Example
<b>Restructure</b>	Rearrange programs to spark creativity and foster synergies across resources	<b>Rochester Institute of Technology</b> moved struggling programs to another college to create greater alignment with similar disciplines.
<b>Merger</b>	Combine programs into one to leverage scale	<b>University of Wisconsin-Madison</b> merged seven under-enrolled programs into tracks of a single master’s degree.
<b>Intra-campus Program</b>	Share costs and distribute specialties across campuses	<b>Bowling Green State University</b> and <b>University of Toledo</b> combined unique foreign language specializations into a joint program.
<b>Service Program</b>	Retain minimum faculty contingent for electives and general ed requirements	<b>Southern Oregon University</b> kept faculty to teach art history courses as service courses after phasing out the major.
<b>Sunset</b>	Teach out all students; reassign or terminate faculty	<b>Thompson Rivers University</b> eliminated graphic design program; most faculty retired, and one moved into another department.

Source: Bowling Green State University, Bowling Green, OH; Rochester Institute of Technology, Rochester, NY; Southern Oregon University, Ashland, OR; Thompson Rivers University, Kamloops, BC; University of Toledo, Toledo, OH; University of Wisconsin-Madison, Madison, WI; EAB interviews and analysis.

# Program Improvement SWAT Teams

## Expert Committee Provides Customized Solutions to Struggling Programs

The first method relies on central oversight to guide revitalization efforts. While the solution may look different for each program, a core group of leaders is always involved to determine the right steps to take. Alfred State University and Manhattan College both created program improvement SWAT teams. As noted below, they are similar in composition, made up of the provost, CBO, enrollment manager, and heads of programs under review. These teams look at enrollment trends, financial performance, and market demand data to determine the best course of action for each struggling program.



### Enrollment Management Advisory Team



### Program Viability Review Team

<b>Participants</b>	Provost, CBO, enrollment manager, program heads, deans, and representatives from marketing, enrollment, financial aid, and other campus services as needed
<b>Data</b>	Program enrollment trends, pipeline data, financial performance, student interest, employer/market demand
<b>Mandate</b>	Maximize resource allocation across under-enrolled programs to determine where additional investments (e.g., marketing, faculty lines) may be successful in turning a program around—or when discontinuance is the better scenario

### Success Stories

**Rebranding:** Enrollment low in Information Security, despite demand for skills; adopting “Cyber Security” nomenclature bumped new enrollment from 13 to 48

**New technology:** Struggling surveying program revitalized by introducing GPS technology

**Teaching overhaul:** Decline in one program’s enrollment explained by change in instructional requirements; once fixed, enrollment rebounded

**Sunset, sunrise:** Health sciences program phased out due to changes in labor market in favor of a degree in health administration and public health

Program SWAT teams led by senior administrators represent the most common approach to program revitalization—and for good reason. Individual programs face unique challenges requiring tailored solutions. For example, the program improvement team at Alfred State University revived a flagging “Information Security” program by rebranding it as a “Cyber Security” degree. Manhattan College decided to sunset a health sciences program that no longer aligned to labor market demand, replacing the program with a more timely health administration and public health degree.

# Departmental Call to Action

## Central Administrators Remain Hands-Off in UW's Low-Award Review Process

In contrast to top-down oversight, some campuses put the onus on faculty to drive improvement efforts while providing them a standardized process to follow, buttressed with the right questions and data. At the University of Wisconsin-Madison, a low-award review policy prompts units to address underperformance. In particular, any program that does not meet degree or completion thresholds must pursue a formal improvement plan.



### Low-Award Review Triggers

- Undergraduate: <25 degrees in 5 years
- Graduate: <5 degrees in 5 years
- Certificates: <10 awarded in 5 years

### Empowering the Low-Award Review

- 1 Adopted as part of the official shared governance policy
- 2 Program launches, faculty lines on hold until review completed
- 3 Noisome burden for program leaders and deans

### Prompts for Low-Award Reviews

- What is the demonstrated student need, even at a low level, for graduates with this specific credential?
- Does the program fill a specific academic niche unique to UW-Madison or in some way necessary for the University's identity, or for the fulfillment of the mission of the program, school/college, or university?
- What is the cost of the program?
- Are faculty time and effort best invested in this program?
- What are the compelling reasons why no other options (discontinuing the program or merging this major into a larger major) are viable alternatives?
- Does the program have a stable academic home, usually a department?

Review UW-Madison's low-award policy at [eab.com/rightsizing](http://eab.com/rightsizing).

Once flagged, programs are directed to identify root cause problems and form a recovery plan. Review procedures prompt program leaders to answer questions about market alignment, cost allocation, and brand positioning. The policy, endorsed by the University of Wisconsin-Madison's shared governance process, prevents a department with incomplete low-award program reviews from launching new programs or requesting new faculty lines. This initiative prompted action at UW-Madison. On average, 25% of low-award programs have improved performance or merged with larger programs, whereas 65% of programs were discontinued.

# Trigger Metrics

## Rochester Institute of Technology Guides Programs Through Tiered Review

The third method for guiding program-level improvement combines central oversight and process standardization. Rochester Institute of Technology created an annual program review process that places each program in one of three tiers based on its performance against a preselected set of enrollment, financial, learning outcome, and student success metrics. Those that fall below benchmarks in an annual check-in are moved to the second or third tier and are provided a more nuanced set of data to pinpoint problem areas.

### Overview of Rochester Institute of Technology’s Annual Program Review Process



	Tier 1	Tier 2	Tier 3
<b>Program Reviewed</b>	Every program	Programs flagged by triggers in Tier 1	Programs with concerning trends in Tier 1 and 2 metrics
<b>Metrics</b>	Select enrollment, financial, and student success metrics	Expanded set of enrollment, financial, and student success metrics	Tier 2 expanded metrics
<b>Action Steps</b>	None, unless triggered	Program completes self-study and drafts action plan for dean’s review and feedback	Program completes comprehensive review (self-study and external review)
<b>Others Involved</b>	Institutional Research and Finance produce yearly reports for programs	Enrollment management consulted to assess market, competition, future recruitment	Review and action plan approval elevated for provost approval



### Underperforming Programs Trigger Additional Analysis to Understand Root Cause Problems

#### Tier 1 Enrollment Metrics

- First-time freshman enrollment
- Transfer student enrollment
- Enrollment change over three years

#### Tier 1 Enrollment Triggers

- Low three-year headcount average
- >10% decline in three-year overall enrollment



#### Tier 2 Enrollment Analysis

- Applicant pipeline: applied/admitted/enrolled
- Were enrollment projections met? Were quality students turned away?
- Percentage receiving financial aid
- Average GPA of entering students
- Overall GPA of graduates
- Time to degree of graduates
- Number of students transferring in/out of program to/from another at RIT
- Percentage minority and female students

Source: Rochester Institute of Technology, Rochester, NY; EAB interviews and analysis.



# Focused Attention on Areas of Greatest Need

## Baseline Benchmarks Elevate Programs Through Successive Interventions

Not every program at RIT requires a full performance diagnostic, but those that do are provided with the metrics that help to identify the performance problem. Next, program leaders develop a plan for improvement in conjunction with the provost’s office, enrollment management leaders, and potentially external reviewers. Ultimately, RIT’s process is highly centralized—in that the data collection and improvement conversations are driven by the provost and CBO. It is also prescriptive, with standardized data sets and action plans that each flagged program must complete. A copy of RIT’s tiered review plan can be downloaded at the resource page referenced below.

Academic Program Analysis: Undergraduate			
Appendix A: Tier 1: Undergraduate—Main Campus Only [Metrics Reported in #'s and/or %'s over 3 year period]			
Trigger Metrics	Supporting Metrics	Supporting Metrics	Trigger Metrics
<b>Enrollment</b> <ul style="list-style-type: none"> <li>Student Headcount (FT &amp; PT)                             <ul style="list-style-type: none"> <li>First Time</li> <li>Transfer</li> <li>Overall Enrollment                                     <ul style="list-style-type: none"> <li>Internal Transfers</li> <li>Continuing Students</li> </ul> </li> </ul> </li> <li>Overall Headcount (3 yr average)                             <ul style="list-style-type: none"> <li>BS/BA &gt; 30</li> <li>AAS/AS/ADS &gt; 15</li> <li>CT/DP/JUND &gt; 7</li> </ul> </li> <li>Overall Headcount Change (3 yr average)                             <ul style="list-style-type: none"> <li>Stable enrollment trend:                                     <ul style="list-style-type: none"> <li>BS/BA: &lt; 10% decline (3 yr average)</li> <li>AAS/AS/ADS: &lt; 10% decline (3 yr average)</li> <li>CT/DP/JUND: &lt; 10% decline (3 yr average)</li> </ul> </li> </ul> </li> </ul>	<b>Learning Outcomes</b> <ul style="list-style-type: none"> <li>Program Learning Outcomes Assessment Results</li> </ul>	<b>Student Success</b> <ul style="list-style-type: none"> <li>First Year Retention</li> </ul>	<b>Revenue / Expense</b> <ul style="list-style-type: none"> <li>Program Net Surplus/Deficit* (College overhead costs only)</li> </ul>
<ul style="list-style-type: none"> <li>Benchmark:                             <ul style="list-style-type: none"> <li>Met or exceeded program's achievement benchmark</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Benchmark:                             <ul style="list-style-type: none"> <li>Met or exceeded RIT goal</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Benchmark:                             <ul style="list-style-type: none"> <li>Met or exceeded RIT actual rate</li> <li>Met or exceeded RIT target goals</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Benchmark:                             <ul style="list-style-type: none"> <li>Positive net revenue position</li> </ul> </li> </ul>
	<b>Program Improvement Results</b> <ul style="list-style-type: none"> <li>Used assessment results for program improvement (Y or N)</li> </ul>	<b>Graduation Rate</b> <ul style="list-style-type: none"> <li>First Major</li> <li>150% of Program Time</li> <li>100% of Program Time (On-Time Rate)</li> </ul>	<b>Career Outcomes (6 months after graduation)</b> <ul style="list-style-type: none"> <li>Employment</li> <li>Further Study</li> <li>Alternative Plans</li> </ul>
		<ul style="list-style-type: none"> <li>Benchmark:                             <ul style="list-style-type: none"> <li>Met or exceeded RIT goal</li> </ul> </li> </ul>	

Tier 2 Appendix B Academic Program Analysis				
Potential Deeper Dive Metrics for Tier 2/3 Analysis (Undergraduate and Graduate)				
Enrollment	Student Success	Instructional Activity	Faculty	Revenue / Expenses
<ul style="list-style-type: none"> <li>Application Yield                             <ul style="list-style-type: none"> <li>Applied</li> <li>Admitted</li> <li>Enrolled</li> </ul> </li> <li>Met Enrollment Projections                             <ul style="list-style-type: none"> <li>Yes or No</li> <li>Were quality students turned away?</li> </ul> </li> <li>% Receiving Financial Aid (?)</li> <li>Average USG GPA/GRE/GMAT of Entering Students</li> <li>Overall GPA of Graduates (1)</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup> to 3<sup>rd</sup> Year Retention                             <ul style="list-style-type: none"> <li>Met or exceeded RIT Goal: represented as quartile for RIT</li> </ul> </li> <li>3<sup>rd</sup> to 4<sup>th</sup> Year Retention                             <ul style="list-style-type: none"> <li>Met or exceeded RIT goal</li> </ul> </li> <li>On-time Graduation Rate (to be developed per degree program)</li> <li>Graduate Programs:                             <ul style="list-style-type: none"> <li>Top 10 employers, Fortune 500 employers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li># of Sections Taught per FTE Faculty in Program Home Dept.</li> <li>FTE Students Taught per FTE Faculty</li> <li>Professional Recognition of Program's Graduates (Awards, Global Visibility, Indicators)</li> <li>Leadership Positions of Program Graduate and Other Indicators of Success</li> </ul>	<ul style="list-style-type: none"> <li>Average Salary by Rank</li> <li>% with Terminal Degree</li> <li>Research Awards (\$ amount per 1/TT faculty)</li> <li>% of 1/TT Faculty FTE's</li> <li>Amount of External Funding</li> </ul>	<ul style="list-style-type: none"> <li># of Student Credit Hours Generated</li> <li>Net Tuition Revenue</li> </ul>

Download RIT’s tiered review plan at [eab.com/rightsizing](http://eab.com/rightsizing).

# Snapshots of Revitalized Program Performance

## Addressing Common Program Pathologies Leads to Scalable Solutions

Ideally, focused attention on struggling programs will alleviate troubling enrollment or financial trends without the need to discuss discontinuance. Below are several successful revitalization efforts. While one-size-fits-all solutions will not work, the methods discussed in this imperative should spark the right kind of analysis to lead programs to renewed health.

The bottom of this page references another resource in EAB's library: the [New Program Launch Guidebook](#). This guidebook includes prompts for assessing market demand, program design, and marketing quality—aspects that are equally as relevant to program redesign as program launch.

### Four Examples of Successful Program Overhauls



#### Refresh Programs with New Tracks

Popular English Department minor in publishing and editing converted to major and boosted by experiential learning and alumni connections in the field, driving up department enrollments by 80% in two years.



#### Overhaul Program Curriculum

Law school faculty restructured curriculum, boosting practical learning and decreasing time to degree from 3 to 2.5 years. Promise of real-world experience and a quicker path to employment led to a 70% application increase and 27% enrollment bump.



#### Leverage Interdisciplinary Energy

CS+X majors link computer science and select liberal arts and sciences programs, responding to growing demand for data analysis. Linguistics has grown from 58 to 152 students in four years (69 in CS+Linguistics).



#### Update Website, Marketing Material

Program websites audited to ensure student-centric content (e.g., career outcomes and value stories) and clear call to action to enroll. School of Liberal Arts boosted applications by 25% following its website overhaul—without making any program changes.

#### Resource in Brief: New Program Launch Guidebook



- Tools and templates to support campuses through program planning activities
- Faculty-friendly interface to bolster planning and encourage partnership
- Market demand, program design, and marketing tools equally relevant to program redesign and revitalization as program launches
- Download this resource at [eab.com/rightsizing](http://eab.com/rightsizing)

Source: Elon University, Elon, NC; Bianca Quilantan, "Should Colleges Let Ailing Majors Die or Revamp Them?" *The Chronicle of Higher Education* (May 20, 2018); Susquehanna University, Selinsgrove, PA; University of Illinois, Urbana-Champaign, IL; Virginia Polytechnic Institute and State University, Blacksburg, VA; EAB interviews and analysis.



# Increase Resource Flexibility in Parallel to Program Redesign Efforts

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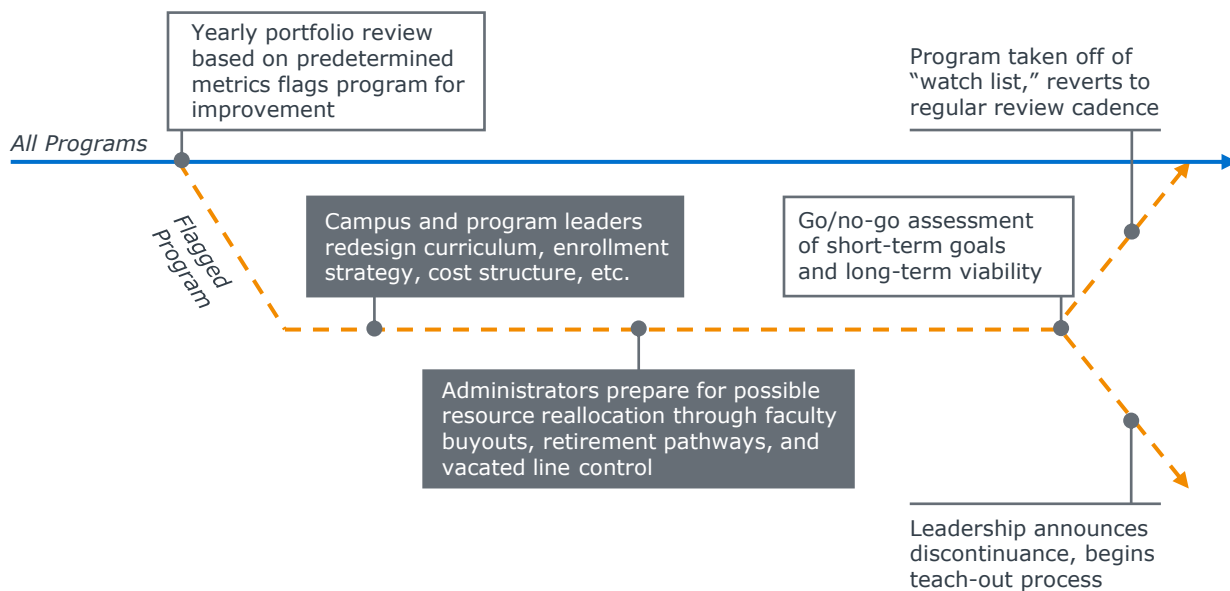
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# Setting the Stage for Savings

## Up-Front Planning Maximizes Opportunities for Resource Realignment

If and when campus leaders make the difficult decision to discontinue a program, they must be able to reallocate resources—particularly faculty lines—in order to realize the full benefits of portfolio review. Historically, institutions that closed underperforming programs have been frustrated to find that discontinuance did not yield expected savings. The typical program closure eliminates administrative support costs, adjunct salaries, and perhaps the cost of program-specific resources—but these savings are small compared to more fixed faculty and space costs.

### Faculty and Administrators Pursuing Simultaneous Opportunities During Revitalization Efforts



The approach to program review described in this resource, reiterated in the graphic above, encourages faculty and administrators to pursue simultaneous opportunities during program revitalization efforts. Program leaders focus on redesigning curriculum, the enrollment strategy, and the underlying cost structure. At the same time, central administrators set the stage for potential resource reallocation through faculty buyouts, retirement pathways, and vacated line control.

Notably, these efforts benefit the institution regardless of whether a program persists past a go/no-go assessment. In the case of discontinuance, faculty lines can be more easily redirected to growth areas. If revitalization is successful, program leaders have a rare opportunity to reinvest in the program with new faculty who bring expertise in different pedagogies, modalities, or subdisciplines. This investment should further bolster the turnaround.

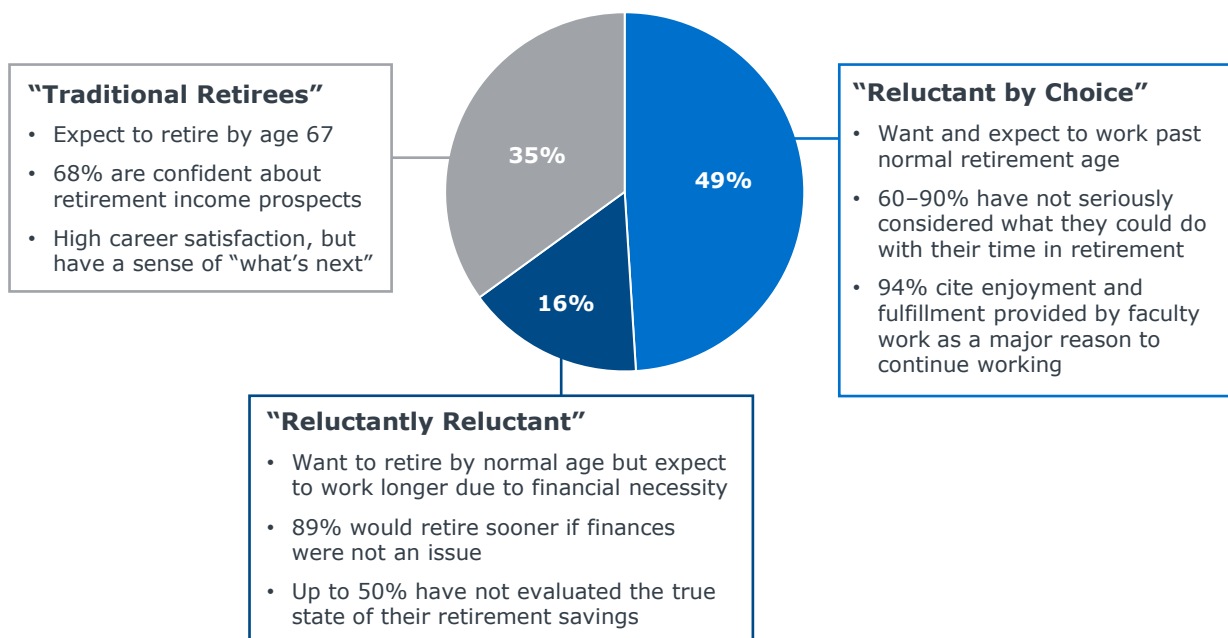
# Finding the Right Incentive

## Clearing Emotional Barriers Key to Successful Faculty Retirement

Large-scale faculty buy-outs and retirement incentives are common practices at institutions seeking to free up resources and avoid layoffs. However, campuses report mixed results with these efforts—in part because these are blunt-force instruments and ill-suited to targeting the specific programs under review. Moreover, financial incentives are not always the right carrot for faculty, as affirmed by recent research by TIAA-CREF.

### Reluctant Retirees Abound in Higher Education—and Require New Approaches

*TIAA-CREF survey of 770 tenured faculty (age 50+) of retirement prospects*



There are three broad categories of faculty nearing retirement. Thirty-five percent are “traditional retirees” who expect to retire by age 67 and are confident in their finances. An additional 15 percent of faculty are “reluctantly reluctant.” They would like to retire by normal age but worry they do not have the financial ability to do so. Most notably, almost fifty percent of faculty are “reluctant by choice.” They expect to work past normal retirement age—not because they need to, but because they want to. Faculty identity is almost inextricably tied to teaching and research. Most have not seriously considered what they might do after retirement. So, incenting “reluctant by choice” faculty to retire is not about lucrative buy-out packages but about helping them overcome an emotional barrier to stepping away from their posts.

Source: Paul Yakoboski, “Understanding the Faculty Retirement (Non)Decision: Results from the Faculty Career and Retirement Survey,” *TIAA-CREF Institute Trends and Issues* (June 2015); Vimal Patel, “Greasing the Retirement Wheel,” *The Chronicle of Higher Education* (November 2016); EAB interviews and analysis.

# Avoiding Separation Anxiety

## A Plan for Ongoing Engagement Eases Fears of Lost Identity

Campuses can offer low-cost solutions to help faculty avoid the separation anxiety that often stands in the way of retirement. The institutions profiled below on the left have developed a range of resources to help faculty end their careers on a strong note, whether through personal coaching, financial planning, or the opportunity to pursue career-culminating “legacy” projects.

### Resources to Make Retirement Less Frightening for Current Faculty

Tool or Resource	Institution
Professional coaching for designing life in retirement	George Mason University
Retirement workshops on financial, health care, and personal identity topics	University of California, Los Angeles
Capstone grants to support scholarly or creative projects in the transition to retirement	Mount Holyoke College
Retirement calculator to assess potential income across retirement plans	San Jose State University
Reimbursement for Certified Financial Planner consultations upon starting phased retirement	University of Southern California

### Post-Retirement Perks That Reinforce Institutional Ties



*Less Cost to the Institution*

- **Continued email access**
- **Library privileges**
- Parking privileges
- **“Research Professor” designation**
- **Option to teach as adjunct**
- Fitness Center access
- Technology support
- Office packing and moving support
- **Dedicated space on campus**
- **Emeritus programming**
- Short-term research grants
- Conference travel support
- Health care options

*More Cost to the Institution*

**Bold** = higher value to faculty

Review additional details about the above programs at [eab.com/rightsizing](http://eab.com/rightsizing).

Before pulling the retirement trigger, many faculty want to be assured they can hold on to some tangibles of their academic identity. On the right, above, is a collection of “perks” that can help reinforce institutional ties in retirement. They are sorted from low to higher cost, and the bolded items are frequently noted as high-value to faculty. Notably, institutions that have increased the perks offered to retirees said the offer was mainly used to help faculty clear the emotional hurdle of leaving their posts. Many retirees ended up not using these perks all that much—but it was important for the option to be there.

Source: “[Advancing an Agenda for Excellence: Supporting Faculty Retirement Transitions](#),” American Council on Education (July 2011); Strage, “[Bringing Academic Retirement Out of the Closet](#),” *ibid.*; Vimal Patel, “[Greasing the Retirement Wheel](#),” *The Chronicle of Higher Education* (November 2016); Deborah Yaffe, “[Guiding Faculty Retirement in Higher Ed](#),” *University Business* (October 2016); Goldberg and Baldwin, “[Win-Win: Benefits of Expanding Retirement Options and Increase the Engagement of Retired Faculty and Staff](#),” *New Directions for Higher Education* 2018:182 (May 2018); EAB interviews and analysis.

# Easing into Retirement

## Phased Retirement on the Rise—and Increasingly Customized

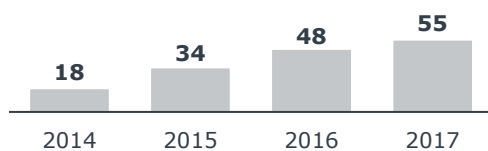
A second effective method of easing the transition into retirement is by providing faculty a few years to decrease their workload in exchange for giving up tenure. The new trend is toward offering greater flexibility and customization in phased retirements, rather than a one-size-fits-all model. At the University of California, Los Angeles, the Pathways Program allows a faculty member and his or her department chair to work out a unique plan for the final two years of employment. Pathways has led to a steady increase in participants—and therefore retirees.

### UCLA Pathways Program Allows Faculty Flexibility

#### Pathways to Retirement Details

- Agreement between faculty member and department chair two years before retiring; must be approved by provost
- Targeted at 300+ faculty at retirement age with financial security to retire
- Negotiated perks: reduced teaching load; deferral of post-tenure review; continued support for research in retirement; recall for teaching; Research Professor designation to continue grant applications; office space

#### Resources to Make Retirement Pathways Less Uncertain for Faculty



### Spotlight on New Role: Retirement Liaisons



Hold confidential meetings with faculty interested in discussing retirement



Provide context for how other faculty members have transitioned to retirement



Help faculty set individual retirement plans with academic leadership



Create and maintain “peer to peer” retirement website



Develop seminars and other events to spread the retirement gospel

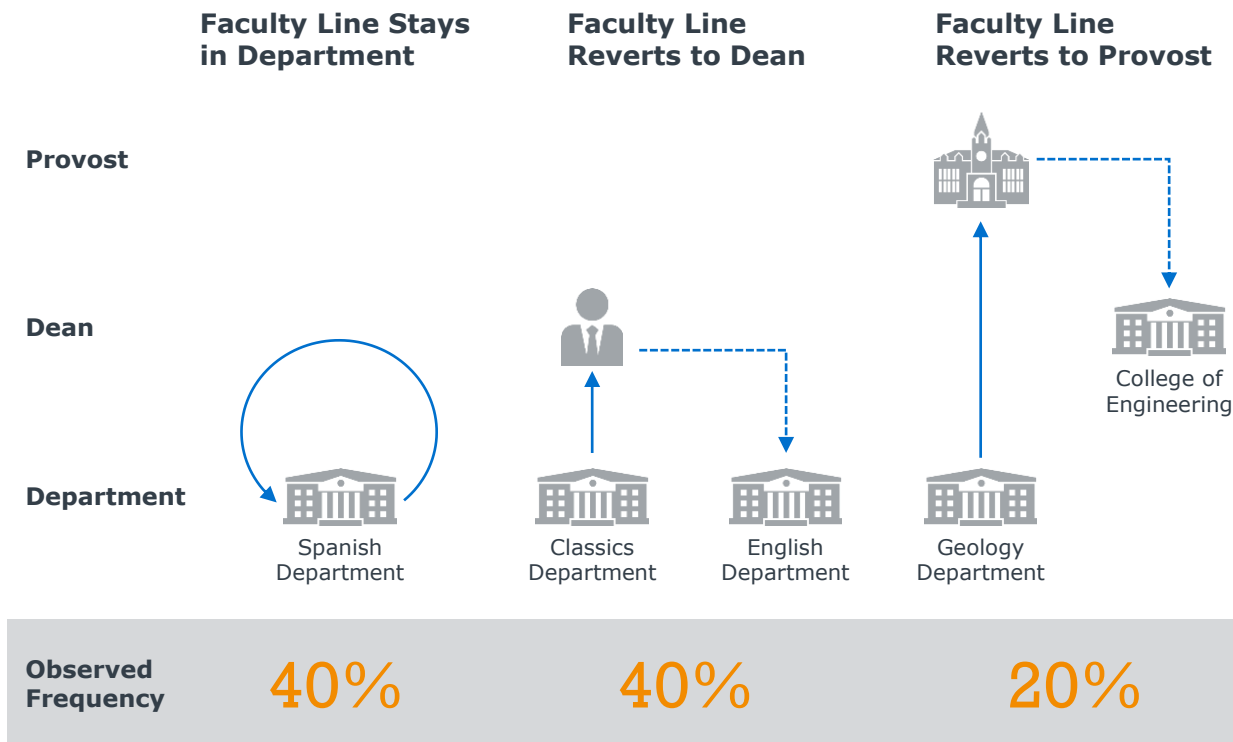
As a final method, some institutions have recruited retired faculty to serve as retirement liaisons. This person shares his or her experience of the retirement process with faculty considering this transition and can even initiate targeted conversations when appropriate. Confidential consultations can help faculty overcome emotional and logistical barriers to retirement as they begin to think about what their own journeys might look like. These liaisons can also help to develop and facilitate retirement infrastructure, such as seminars or retirement infrastructure. Ultimately, when retirement becomes more transparent, flexible, and open for discussion, everyone benefits. The more information faculty have, the less mysterious or intimidating retirement becomes.

Review additional details about the above programs at [eab.com/rightsizing](http://eab.com/rightsizing).

# A University's Most Valuable Resource

## Central Position Control Critical to Securing Benefits of Vacated Faculty Lines

Even strategically timed retirements will not benefit the institution if vacated faculty lines automatically revert to the home department. The figure below represents institutional norms for backfilling faculty seats. At approximately 40 percent of institutions, faculty lines automatically stay in the department. At another 40 percent, the line reverts to the dean. In only 20 percent of cases do vacated faculty lines return to the provost.



Importantly, this breakdown largely reflects the official policy on paper. In practice, departments likely hold even greater control over faculty lines. For example, a dean may have formal authority over lines but allows departments to backfill all vacancies. While politically expedient, faculty lines are consequentially not deployed strategically to advance enrollment or research goals.

Source: EAB interviews and analysis.



# Shifting Control over Faculty Lines

## Collaborative Decision-Making Eases the Transfer of Authority

Given the compelling case for deploying vacated faculty lines more intentionally, institutions with decentralized control are looking to shift that authority to the center. As noted below, institutions that have made this shift have most frequently done so not incrementally, but rather all at once, usually in conjunction with an exogenous factor: a departing provost who declared a policy shift in response to tightening budgets or as a compromise with faculty to avoid a prioritization effort.

### Common Occasions for Centralizing Line Control



Departing provost



Tightening budgets



Presidential directive



Attempt to avoid prioritization



Strategic hiring initiative

### Collaborative Teams Review Proposals, Make Recommendations Aligned with Institutional Priorities for Provost Approval

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#### Academic Priorities Committee

- Committee made up of five elected faculty across disciplines, dean of faculty, dean of students, two student representatives, registrar (*ex officio*)
- Committee ranks faculty line requests to align with long-term curriculum plans



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#### Deans Council

- Provost provides deans a set number of positions to fill in yearly hiring plan
- Deans submit to provost a collaborative proposal for reallocating lines; provost maintains final approval

Shifting control over faculty lines can be politically difficult. Institutions that have made this change have brought the rest of campus on board by inviting senior academic leaders to remain part of the process. In the two examples above on the right, the provost delegated the creation of a strategic hiring plan to a group of trusted senior faculty advisors. Final say over faculty lines remains with the provost, but engaging academic leaders in the decision-making process leads to better consensus and more buy-in.

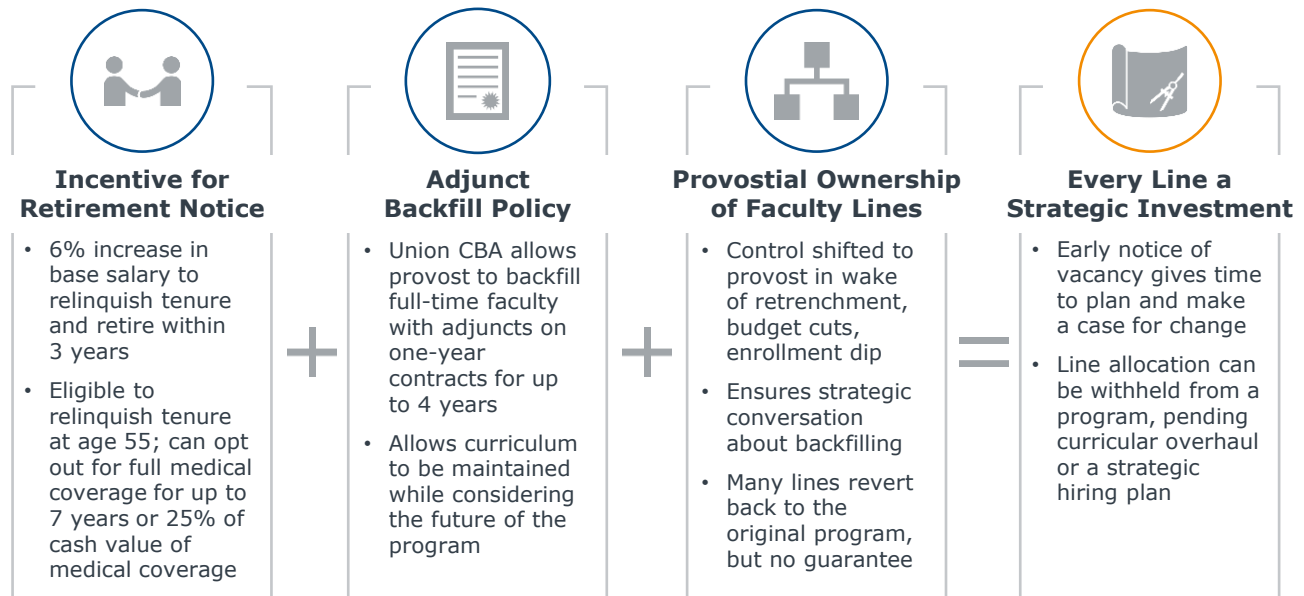
# Engineering Realignment Opportunities

## Combine Position Control and Retirement Incentives for Maximum Benefit

Maintaining control over faculty lines is particularly important, given that the best opportunity for radical program redesign and restructuring comes with simultaneous vacancies. Overhauling the curriculum, realigning content around an interdisciplinary field, or even merging or downsizing the program is much more straightforward with the flexibility of several open lines. These opportunities rarely occur on their own—but with advance notice of departures, phased retirements, and the strategic use of adjuncts, campus leaders can engineer simultaneous vacancies.



### Three Strategic Planning Levers at Southern Oregon University



Southern Oregon University has three policies to give central leaders more control over retirement timelines. First, the institution incentivized early notices for retirement. Faculty receive a 6 percent increase in base salary in exchange for the promise to immediately relinquish tenure and retire within three years. By knowing up to three years out when faculty lines will become available, leaders can ideally engineer other openings to occur at the same time. Second, an adjunct backfill policy allows the provost to deploy adjuncts on one-year contracts for up to four years while determining the best long-term use for a vacated faculty line. Finally, the provost retains control over all faculty lines.

Together, these policies enable Southern Oregon University to orchestrate multiple vacancies years in advance of strategic needs and proactively consider what a program might look like moving forward.



# Ensure Program Discontinuance Minimizes Stakeholder Disruption and Maximizes Cost Savings

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IMPERATIVE

4

# Program Discontinuance Policy Audit

## Codified Procedures Minimize Risk in Program Closure and Student Teach-Out

While periodic review and revitalization efforts will ideally bolster the health of the program portfolio, discontinuance is sometimes the only viable option for a program that continues to underperform against previously articulated expectations. In that scenario, clear policies and procedures on program closure and teach-out are crucial to ensuring a smooth sunseting process for faculty and students alike. Campuses should review their existing policies now to ensure the right framework and process are in place ahead of any possibility of program closure.

### Clearly Articulated Policies Provide Implementation Guidance and Insulate the Institution from Legal Challenges

Policy	Key Points to Address
Program Closure	<ul style="list-style-type: none"> <li>• Under what circumstances academic programs may be discontinued (e.g., educational reasons, strategic realignment, resource allocation, budgetary constraints, declining demand, quality concerns)</li> <li>• What action initiates the discontinuance process (often a formal written request to the provost or president)</li> <li>• What data should be included in any formal request for discontinuance (e.g., financial analysis of cost savings/losses from program elimination; enrollment, retention, job placement, and other performance data; student reviews; market demand; mission centrality)</li> <li>• Role of Faculty Senate or other governance bodies in the process</li> <li>• Final authority for academic program discontinuance decisions</li> </ul>
Program Teach-Out	<ul style="list-style-type: none"> <li>• Responsible parties for notifying stakeholders (students, faculty, staff, college community, accreditors, state bodies) about the closure</li> <li>• Information necessary to include in any notification of closure and teach-out</li> <li>• Available resources for students to complete their programs of study with minimal disruption or additional expense</li> <li>• Plan for faculty and staff associated with discontinued program</li> </ul>

For samples of the above policies, visit [eab.com/rightsizing](http://eab.com/rightsizing).

To help leaders review their existing procedures, the chart above presents a high-level policy audit for program closure and student teach-outs. The second column lists key points that policies should address, with an eye toward minimizing risk in the case of any contentious decisions to close a program. Sample policies can be reviewed at the resource page linked above.

# Helping Students Find an Exit

## Cross-Campus Cooperation Supports Student Success After Program Closure

Discontinuing a program is always an emotional process, and naturally the first thought of campus leaders should go toward the students who may be affected by the decision. For this reason, the policy guiding student teach-out merits special attention. In particular, institutions should facilitate communication among multiple internal and external stakeholders (e.g., accreditors, admissions, student recruiting, advising, registrar) to ensure all have a clear understanding of the process. The questions below will help leaders craft an effective and defensible teach-out strategy.

### Questions to Consider in Crafting a Teach-Out Plan

- How long will the teach-out last (1, 2, or 4 years)?
- What is the cutoff for inclusion in the teach-out?
- What alternative majors should students below the cutoff consider?
- Will any residency requirement remain in effect?
- What happens if a student receives an unsatisfactory grade in a required course not offered again?
- When will all marketing and recruitment end? What message should prospects receive?
- What should the enrollment office communicate to admitted students?
- What alternatives will be developed for coursework needed for other degree programs?

### Sample Timeline for Teach-Out Development

Time Period	Action
January	<ul style="list-style-type: none"> <li>• Board of Trustees approves the termination of a program</li> </ul>
February-March	<ul style="list-style-type: none"> <li>• Department advises students with &lt;60 credit hours into other majors</li> </ul>
February-April	<ul style="list-style-type: none"> <li>• Chair and dean devise teach-out plan</li> <li>• Chair informs affected students about teach-out of terminated program</li> <li>• List of students eligible for teach-out given to academic advisors</li> </ul>
March-April	<ul style="list-style-type: none"> <li>• Dean develops monitoring process to track progress of students in teach-out</li> </ul>
April-May	<ul style="list-style-type: none"> <li>• Individual academic maps developed</li> <li>• Students sign acknowledgments</li> <li>• Dean informs national accrediting bodies of teach-out plan</li> </ul>
June-End of Teach-Out	<ul style="list-style-type: none"> <li>• Final sequence of courses begins</li> <li>• Chair and dean update monitoring reports of students in teach-out</li> </ul>

## APPENDIX B

### South Dakota Board of Regents

### Review of Academic Programs 6-Year Cycle

The following process shall allow the BOR to examine the extent to which established associate, bachelor, master, and doctoral academic programs are meeting their intended priorities and to determine the viability of new program requests. *Programs with specialized professional accreditation shall follow their program accreditation cycles and submit those reports to the BOR in lieu of the 6-year cycle.*

