Putting Finance in the Service of Student Success

Ohio Association of Community Colleges (OACC)
Joint Officers Meeting

February 8, 2018
Columbus, OH

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Agenda

1. Welcome and introductions
2. ROI in higher education
3. ROI model: Pilot school experiences
   - North Central State College
   - Lorain County Community College
4. ROI model: Template introduction
5. Small group exploration
6. Next steps & wrap-up

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Return on Investment (ROI) in Higher Education

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What is a "Return on Investment" Perspective?

An ROI perspective helps colleges allocate their resources to initiatives that can maintain quality, improve student success and generate additional revenue.

This revenue can generate sustainable funding for the current initiative or be reinvested in new strategic initiatives.

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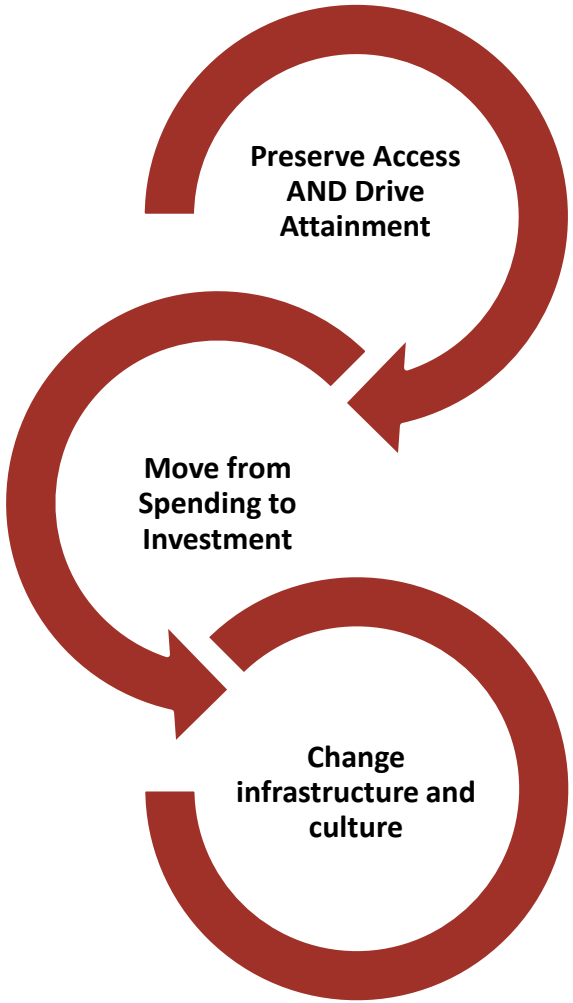
Why Should Colleges Adopt an ROI Lens?



If we are to preserve access and increase attainment, in a world of constrained resources and fewer students…

then we must get a better return on investment from current resources through understanding levers to change the business model…

which will require a strategic approach connecting financial practice with institutional change models.

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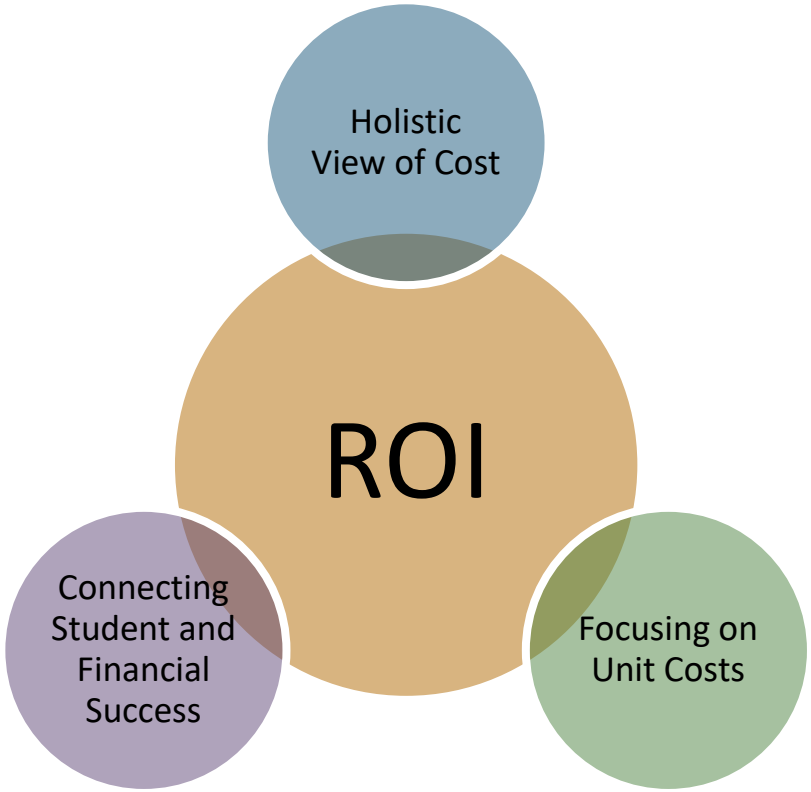
Elements of an ROI Framework



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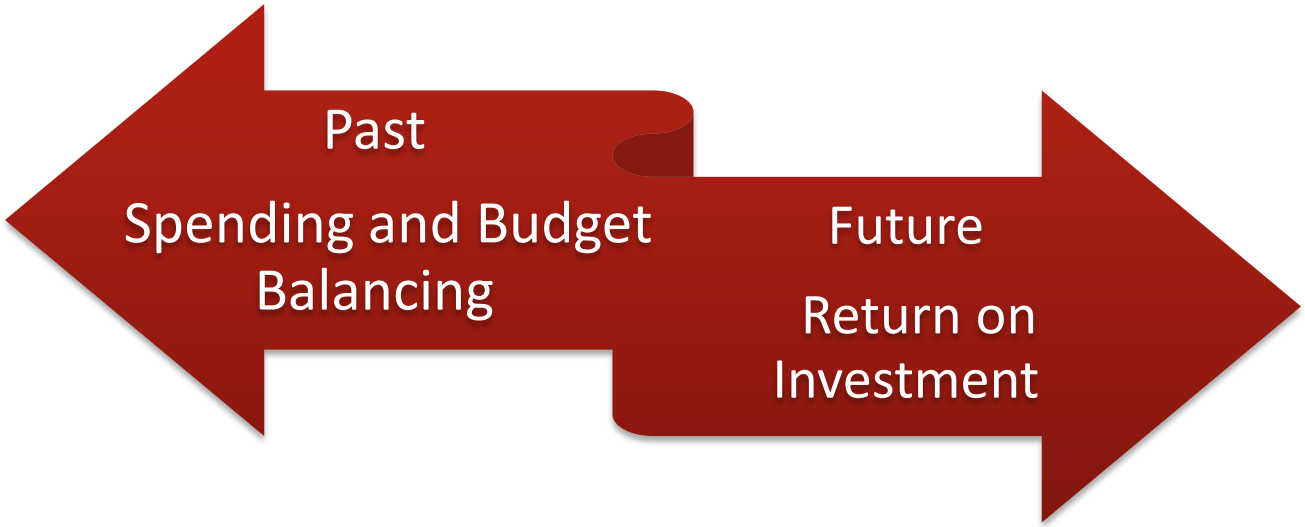
Aligning Investments and Student Success

An ROI lens helps colleges redefine their goals and reallocate their resources



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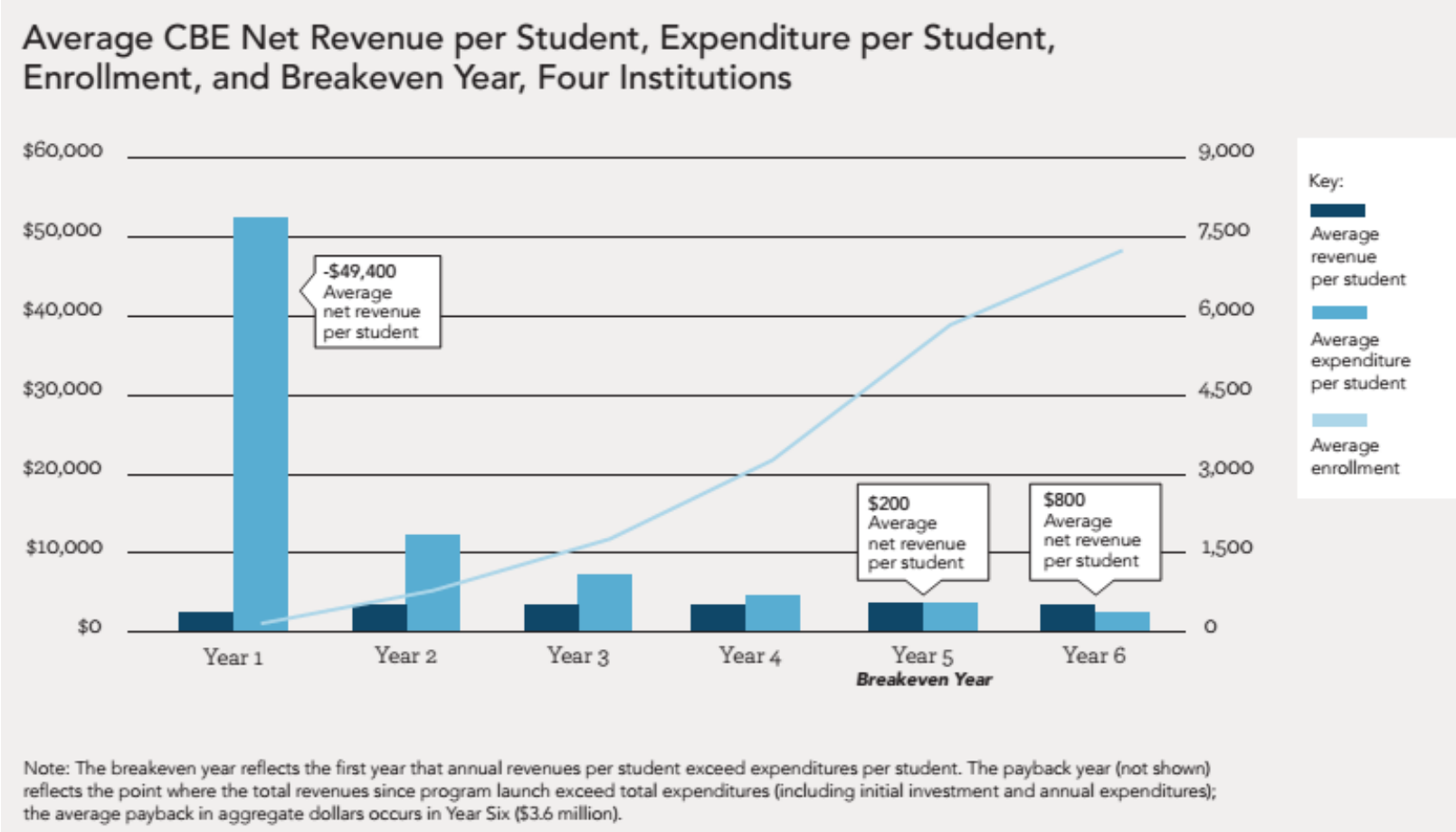
Example of ROI Lens - Sustainable Innovation and CBE



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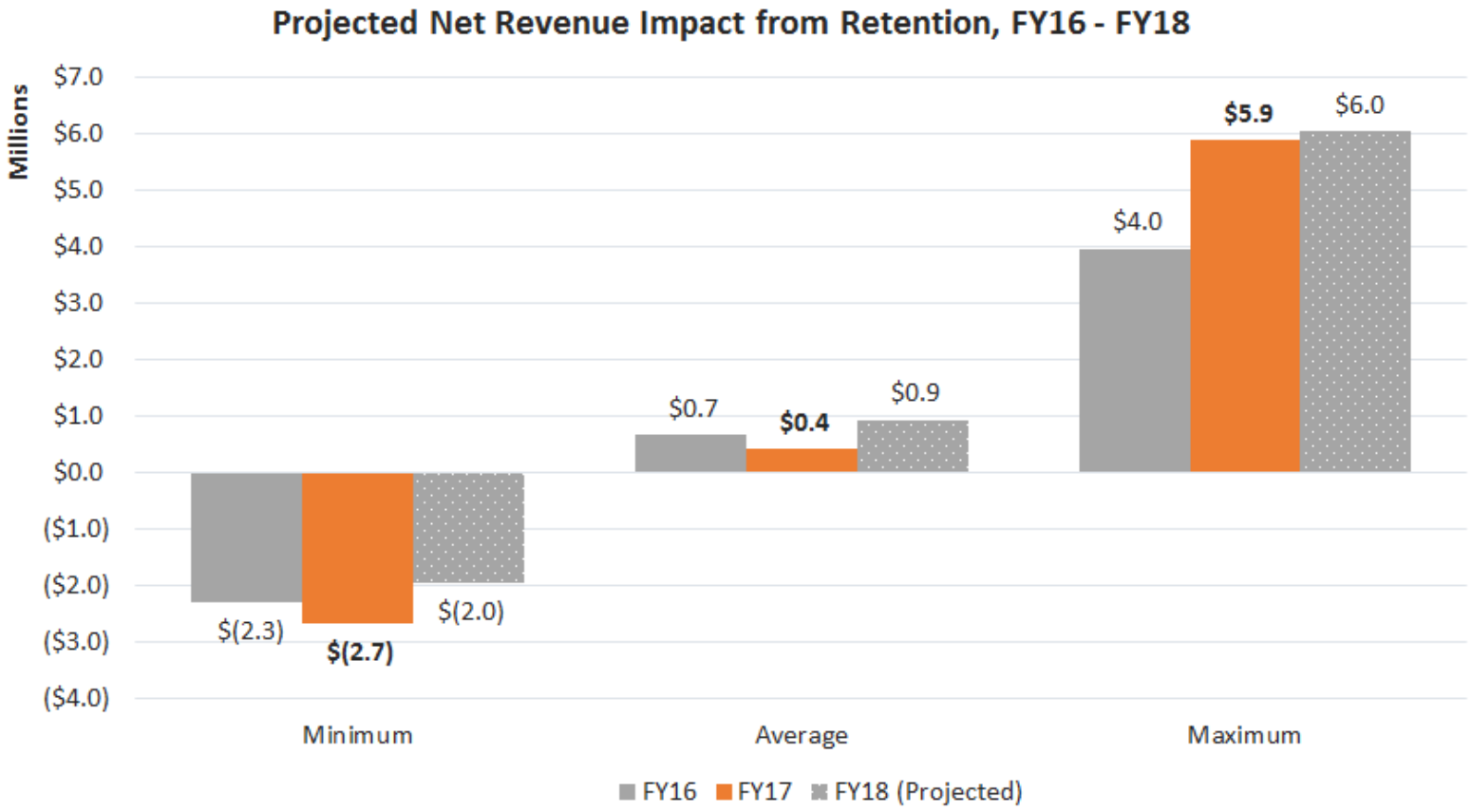
Example of ROI Lens - Sustainable Innovation and Tech-enabled Advising



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Creating Sustainable Innovation

Innovation without ROI cannot be sustained!

Adapted from Knoste T., Vila R., and Thousand J., (2000), *A Framework for Thinking About Systems Change.*

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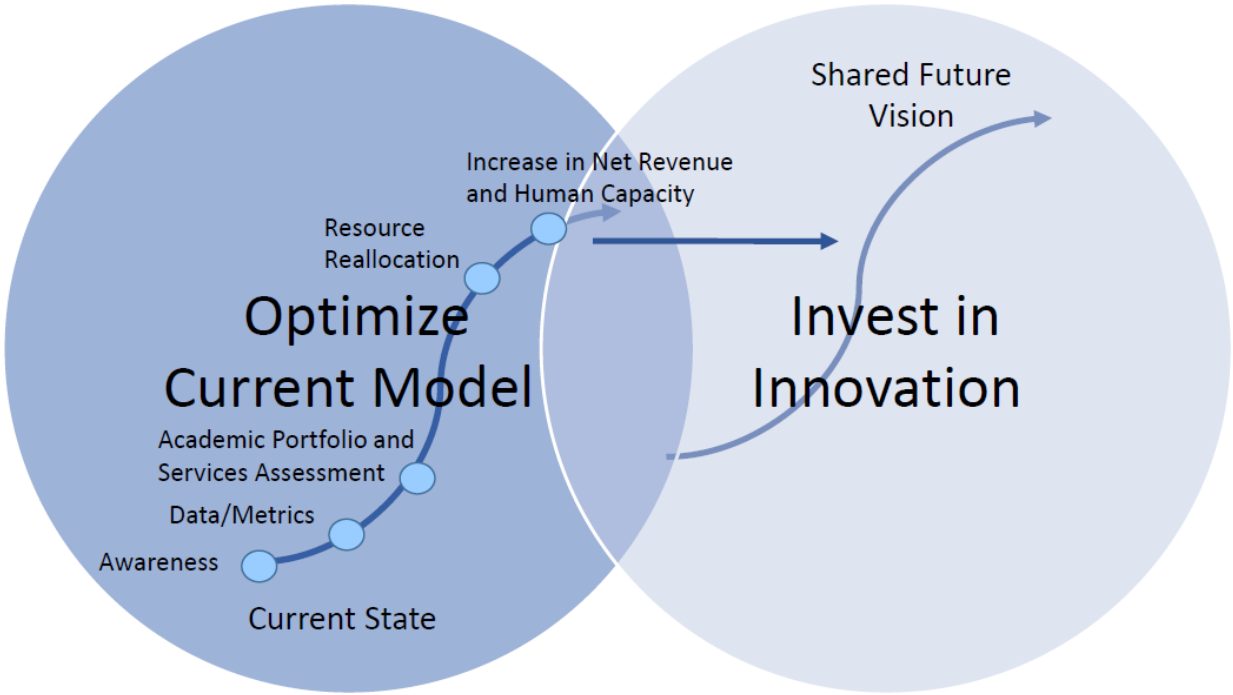
Enhancing the Current Model to Achieve SFV

Harvesting Resources to Invest in Innovation



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ROI Model

Pilot School Experiences

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ROI Model

Template Introduction

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Model Purpose and Design

Purpose

- Planning tool
  - vs. post-implementation ROI
- Initiative agnostic

Design Features

- Graphic & data dashboards
- Funding & expenditure model
- ROI scenario modeling
  - Potential net revenue
  - Breakeven & Payback
- Net revenue:
  - Tuition & fee
  - Performance funding is excluded

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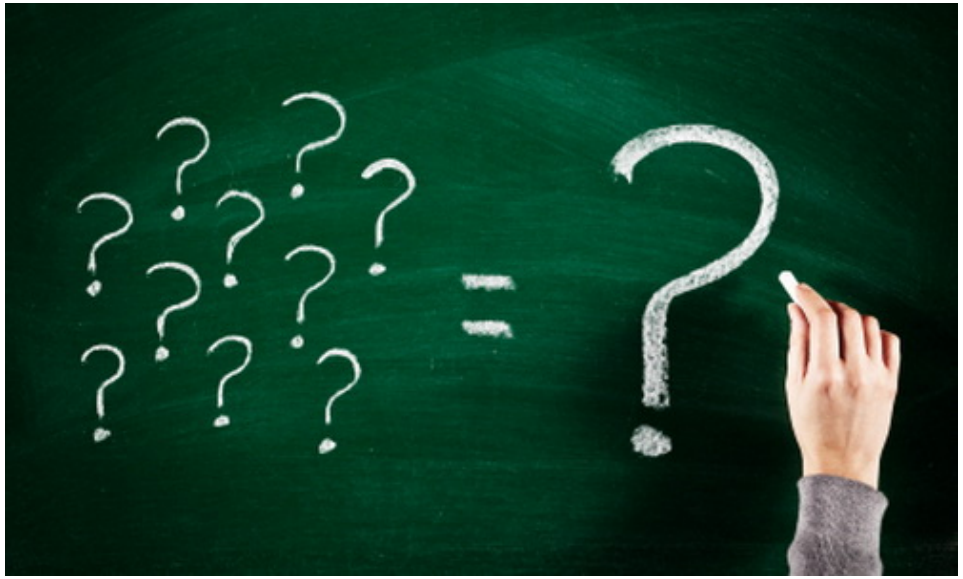
Data Requirements

- Institutional data
- Student participation
- Initiative finances
  - Funding
  - Expenditures
- Estimated impacts
  - Retention
  - Student credit hour load
  - Academic efficiencies



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Pitfalls to Avoid

- Becoming overly detailed
  - Making good use of assumptions
- Personnel tab inaccuracies
  - Too few staff; too much time
- Forcing revenue to equal expenditures
  - Process intended to reveal funding gaps

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Best Practices

- Utilize a team approach
  - Project staff, IR, Finance, HR
- Make realistic assumptions
  - Model various scenarios
- Recognize that this is only one element in the decision making tool box

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Small Group Exploration

Identifying Potential Initiatives

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Small Group Discussions

Engage in 10 minutes of conversation with your colleagues to discuss how an ROI lens can be applied to student success initiatives on your campus.

1. What student success initiatives is the college interested in better understanding (both new and existing)?
2. How would you prioritize analysis of these initiatives based on interest, impact, data availability, and student participation?
3. Who would lead the analysis? Who would be on the data team?

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Report Out on Small Group Discussions

- What initiatives surfaced and why?
- What support does the college need to implement an ROI framework for its student success initiatives?

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Next Steps and Wrap-up

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Next Steps

- OACC will send the ROI template to CFOs, CAOs, and CSAOs in mid-February
- A pre-recorded webinar will explain how to populate the template
- rpk GROUP will provide each OACC college with 2 hours of technical assistance on the template (March-April)
  - OACC's Cody Loew will be reaching via e-mail to determine which colleges are interested in receiving technical assistance
- A live webinar will also be scheduled to answer questions on the template

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