An outcome of the Committee for 125 Chapter II process was the identification of the need for the university to review its internal budget model and current operations to identify areas for improvement. Since March of 2022, ETSU has been engaged with Huron Consulting to conduct a review of the current internal budget model and overall operations of the institution in order to recommend changes in process and structures that would yield efficiencies. These efforts will ensure that ETSU is positioned to implement strategic initiatives through the remainder of the 2016-2026 planning cycle.

This review included two steering committees comprised of ETSU faculty, staff, and administrators. One steering committee focused on a Resource Allocation Assessment, and the second committee focused on the operational efficiency assessment. The project was led by Dr. Brian Noland (President) as the executive sponsor, Dr. Kimberly McCorkle (Provost & SVP of Academics), Dr. B.J. King (CFO), Dr. Joe Sherlin, (VP Student Life and Enrollment), and Jeremy Ross (COO) as project sponsors.

Dr. Hoff will update the committee on the review process, recommendations for change, and next steps including governance structure for implementing the recommendations.
Budget and Operational Efficiency Assessment Objectives

ETSU leadership engaged Huron Consulting Group to identify opportunities for improvement in preparation for the upcoming ERP transformation.

**Evaluate Budget Development Processes**
- Evaluate model processes, mechanics, and methodology supporting central, strategic and capital funding mechanisms.
- Discuss and document relevant model management infrastructure including policy, governance, and reporting.

**Identify Opportunities for Improvement**
- Conduct a diagnostic review of operations to assess potential opportunities for efficiency.
- Understand the strengths and weaknesses of the current operations.
- Identify areas to better align operations to support employees and increase quality control.

**Develop Roadmap and Implementation Approach**
- Leverage stakeholder input to identify opportunities.
- Develop a roadmap and approach detailing timeline, potential roadblocks, stakeholder involvement, and other criticalities for each recommendation.
Timeline and Key Activities

The Budget and Operational Efficiency Assessment culminated in a comprehensive current state assessment and the identification and prioritization of opportunities to consider. ETSU engaged Huron through the opportunity identification activities (March – August 2022).

<table>
<thead>
<tr>
<th>Plan</th>
<th>Discover</th>
<th>Assess</th>
<th>Recommend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish project goals, milestones, and community engagement</td>
<td>Develop comprehensive understanding of the current state</td>
<td>Evaluate current state and identify areas of opportunity</td>
<td>Propose solutions and develop implementation plan</td>
</tr>
</tbody>
</table>

ETSU Campus Engagement

The Budget Model and Operational Efficiency Assessment engaged individuals across the community through various mediums.

- **746 faculty and staff responses to the Administrative Activity Study**
- **92%**
- **Senior leaders, staff, and faculty interviewed to offer context and perspective**
- **48**
- **HR, financial, and other operating data sets to inform analyses**
- **80+**
- **Steering Committee members engaged in regular check-ins**
- **20**
- **Unique operational and financial opportunities identified**
- **56**
- **Prioritized operational and financial recommendations for design and implementation**
- **5**

Engaging the community throughout the project prepares the institution for change management effort during the upcoming ERP transformation.
Governance Structure

Huron worked closely with ETSU leadership to identify opportunities for improvement across a broad range of functional areas.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Resource Allocation (Budget) Assessment</th>
<th>Operational Efficiency Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Sponsor</td>
<td>President Brian Noland</td>
<td></td>
</tr>
<tr>
<td>Project Sponsors</td>
<td>Provide overall direction and make key decisions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Dr. BJ King*, Chief Financial Officer for Business and Finance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Jeremy Ross*, Chief Operating Officer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Dr. Joe Sherlin*, Vice President for Student Life and Enrollment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Dr. Kimberly McCorrie*, Provost and Senior Vice President for Academics</td>
<td></td>
</tr>
</tbody>
</table>

Steering Committee: Vet initial recommendations and assist in institution-wide buy in

- David Finney, Dir. of Fiscal Affairs, Adv. Services
- Laura Bailey, Assoc. Vice President Facilities Mgmt.
- Dr. Karin Keith, Professor and Chair in Dept. of Curriculum and Instruction in Cammer College
- Kristy Buchanan, Assistant Dean for Fiscal Affairs, College of Business and Technology
- Dr. Mike Hoff*, Vice Provost for Decision Support and University Chief Planning Officer
- Mark Pruffitt, Assistant Dean for Budget and Planning, College of Arts and Sciences
- Dr. Randy Wykoff, Dean, College of Public Health
- Dr. Sharon James McGee, Dean of Graduate Studies
- Stephen Hendrix, Past President, Faculty Senate

*Denotes individuals supporting multiple workstreams

Recognizing ETSU Institutional Strengths

Huron met with 48 stakeholders – several of which were engaged multiple times – across a variety of academic and administrative units at ETSU, which led to the identification of observed strengths and areas of opportunity.

Unique Programs
Stakeholders spoke highly of ETSU’s unique programs, such as Appalachian Studies, that are a differentiator for students and faculty.

Commitment to ETSU
Individuals demonstrated a commitment to ETSU and recognized change is a necessary component to assure a vibrant future for the university.

Willingness to Adapt
Stakeholders spoke to a willingness of units to address changing needs and demands of students (e.g., launching of new programs).

Student Diversity
Employees expressed a strong commitment to diversity recruitment efforts, with 84% of students receiving some type of financial assistance.

Student Wellbeing
Individuals have ETSU’s students and local community in mind while making decisions and are focused on ensuring the well being of the entire ETSU community.
Budget Model Assessment Outcomes

Building on the foundation of transparency and unit fiscal accountability established during the 2017 model implementation, the budget assessment was centered around the pillars of leading practices for effective resource allocation.

Effective Budgeting in Higher Education

- **Alignment to Strategy**: Establish a strategic funding pool for University investments and a process to deploy the funds.
- **Effective Model Mechanics**: Enhance performance driven metrics and rationalize base budgets, aligning revenues with related expenses.
- **All Funds Integration**: Incorporate all revenues and expenses into the budget process to provide a holistic budgeting approach.
- **Reliable Reporting**: Enhance budgeting and financial reporting capabilities with tools, metrics, and modified timelines.
- **Model Management**: Increase transparency and understanding of university budgeting by adopting leading practices.

Communication

Operational Efficiency Assessment Outcomes

Huron leveraged stakeholder interviews, financial and operating data, internal and external benchmarking, and industry expertise to identify 38 opportunities.

Prioritized List of Opportunities

- 1. Organization & Labor
- 2. Auxiliaries & Facilities
- 3. Academic Portfolio
- 4. Enrollment Management
- 5. Research Administration
- 6. Other
- 7. Administrative Activity Study
- 8. Additional Strategic Considerations

Finance and Administration Committee
November 18, 2022
Strategic Plan Alignment

The opportunities identified in the Budget Model and Operational Efficiency Assessment support and strengthen ETSU’s 7 strategic goals.

**Empower Employees**
Provide employees opportunities to develop new skillsets, further careers, and make ETSU a great place to learn, work, and grow.

**Support Strategic Growth**
Encompass all facets of the student experience both inside and outside the classroom.

**Fiscal Sustainability**
Formulate strategies and actions to sustain the programs and infrastructure necessary to meet the core components of ETSU’s mission.

**Lead the Region**
Sustain the strong engagement and service that already exists between the University and community.

**Support Teaching Excellence**
Strengthen the connection between curriculum and resource allocation.

**Ensure Diversity & Inclusion**
Improve recruitment, hiring, and retention of employees.

**Expand Scholarly Innovation**
Establish a collaboratively prioritized approach, and incentivizing behaviors at the institutional level will be critical.

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ETSU Prioritized Opportunities

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Model Optimization</td>
<td>Re-establish the base budgets and further simplify the performance-driven adjustments</td>
</tr>
<tr>
<td>Enhancing Services / Title Class &amp; Comp.</td>
<td>Design a sustainable organizational structure to increase quality control</td>
</tr>
<tr>
<td>Academic Portfolio Analysis</td>
<td>Evaluate current cost to educate, enhance program offerings, and align current academic offering positioning within the market</td>
</tr>
<tr>
<td>Strategic Enrollment Plan</td>
<td>Develop a robust strategic enrollment plan to allow ETSU's flexibility and growth within the enrollment market</td>
</tr>
<tr>
<td>Research Administration</td>
<td>Optimize research administration operations to further ETSU's Strategic Plan and associated research goals</td>
</tr>
<tr>
<td>Housing Transformation</td>
<td>Continue to identify areas of opportunity for the student experience (including housing)</td>
</tr>
</tbody>
</table>

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Strategic Plan information utilizes a combination of the ETSU’s Strategic Plan and Committee for 125 Councils.

Chapter IX.

Finance and Administration Committee  
November 18, 2022
Timeline to Realization (Prioritized Opportunities)

Planning and design of the prioritized opportunities will begin in November of 2022. Implementation is expected to take between 24 and 36 months.

<table>
<thead>
<tr>
<th>Prioritized Opportunities</th>
<th>Assessment / Design</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Model Optimization</td>
<td>10 months</td>
<td>12+ months (July 2024)</td>
</tr>
<tr>
<td>Enhancing Services¹</td>
<td>8 months</td>
<td>18+ months</td>
</tr>
<tr>
<td>Title Classification &amp; Compensation</td>
<td>4 months</td>
<td>18+ months</td>
</tr>
<tr>
<td>Academic Portfolio Analysis</td>
<td>Pre-Assessment Information Gathering</td>
<td>4 months</td>
</tr>
<tr>
<td>Strategic Enrollment Plan</td>
<td>8 months</td>
<td>18+ months</td>
</tr>
<tr>
<td>Research Administration</td>
<td>12 months</td>
<td>6+ months</td>
</tr>
<tr>
<td>Housing Transformation²</td>
<td>6 months</td>
<td>18+ months (July 2026)</td>
</tr>
</tbody>
</table>

¹) Enhancing Services Assessment / Design will include Pre-Implementation Planning.
²) Housing Transformation conversations at ETSU began July 2022 and will end July 2026.

Project Management Structure

In order to successfully implement the selected opportunities, ETSU should utilize existing governance groups and create strong program support channels.

President

(Andrew Brian Noland)

Executive Sponsors

(Dr. Bj King, Dr. Joe Sherlin, Dr. Kimberly McCorkle, Dr. Mike Hoff, Mr. Jeremy Ross, and Dr. Nick Hagemeier)

Advisory Committee

(Broad Campus membership)
Next Steps

ETSU will engage in the following immediate next steps.

1. Confirm a clear understanding of the prioritized opportunities and proposed roadmaps for assessment, design, and implementation.

2. Develop detailed initiative timelines, establish milestones, and sequence execution to ensure an appropriate assessment, design, and implementation pace that achieves the University’s target in a timely manner.

3. Create a project management structure to guide the implementation process, measure success, and iterate where there are roadblocks / limitations.

4. Identify resources that will drive the change and execute upon each opportunity. These individuals will be held accountable for realizing cost savings in the targeted timeframes.

5. Develop a detailed change management and change leadership plan to ensure effective communication, accountability, and measurable results.