TSU Organizational Review and Assessment

January-March 2019

Final

Context and Background

> The University was interested in having an external review and assessment of its cost structures and revenue potential to gain a deeper understanding of where the best opportunities exist to address the current and long term financial needs of the University

> To gain the benefits of an independent perspective and expertise in higher education best practices, TSU engaged Sibson Consulting to provide a review and assessment of the University's costs structures, operations, and revenue streams and develop a set of recommendations for addressing the current situation

> **To complete its review and assessment, Sibson Consulting:**

- Conducted one-on-one interviews with over **80 individuals**, including those within the President's Cabinet, Administrative Council, Faculty Senate Leadership (who obtained and shared additional input from faculty), and additional staff across the University

- Reviewed and assessed student engagement climate survey data to gather student perspectives

- Reviewed and assessed numerous documents and information, organizational charts, policies, procedures, processes documents, job descriptions, and workforce data

- Conducted best practices research regarding potential solutions and other peer institutions

- Compared staffing metrics at peer institutions as identified by Tennessee State University, including Tennessee institutions, THEC institutions, and HBCUs

Staffing Benchmarking Overview

> Sibson Consulting conducted the staffing benchmarking utilizing data from the Integrated Postsecondary Education Data System (IPEDS)

> Tennessee State University identified three groups of peer institutions, of which all were utilized in the benchmarking study

> The peers are listed below:

Tennessee Higher Education Commission (THEC)	Tennessee Peer Institutions	HBCU Peer Institutions
Alcorn State University (MS)	Austin Peay State University	Alabama A&M University
Delaware State University	East Tennessee State University	Florida A&M University
Florida A & M University	Middle Tennessee State University	Grambling State University
Georgia State University	Tennessee Technological University	Jackson State University
North Carolina A&T	University of Memphis	Morgan State University
Northern Kentucky University	University of Tennessee - Chattonooga	N. Carolina A&T State University
Old Dominion University (VA)	University of Tennessee - Knoxville	Southern University
Sam Houston State University (TX)	University of Tennessee - Martin	
South Carolina State University		
Tennessee State University		
University of Arkansas, Fayetteville		
University of North Carolina, Charlotte		
Virginia State University		

Our Firm

➤ Sibson Consulting is a member of The Segal Group of Companies a full service strategic consultancy that has been in business for more than 50 years

➤ Sibson Consulting has deep experience in human resources, benefits, and strategic consulting providing services to corporations, not-for-profit organizations, and institutions of higher education

➤ Our cross-functional National Higher Education Team consists of senior-level consultants, that serve as industry leaders frequently presenting at national higher education conferences

➤ We also draw upon the experiences of colleagues working outside academia to bring best practices to our higher education clients and adapt those practices to suit the academic environment

Select Public Higher Education Clients

Alabama A&M University

Arizona State University

Augusta University

Ball State University

Butler Community College

Cal State University, Northridge

Cal State University, San Marcos

Cal State University, System Office

Chemeketa Community College

Clackamas Community College

Cleveland State University

Coastal Carolina University

College of The Mainland (TX)

College of William & Mary

Collin County Community College

Columbus State Community College

Cuyahoga Community College

Delaware County Community College

East Carolina University

Eastern Kentucky University

Florida Gulf Coast University

Florida Polytechnic University

Florida State University

George Mason University

Georgia Institute of Technology

Georgia Gwinnett College

Indiana University

Iowa State University

Jacksonville State University (AL)

Kean University

Keene State University

Longwood University

Maricopa County Community Colleges

Medical University of South Carolina

Miami University (OH)

Milwaukee Area Technical College

Montclair State University

Morehead State University

Mott Community College

New Jersey City University

Northern Arizona University

North Carolina State University

Northern Virginia Community College

Northern Wyoming Community College

Northwood University

Oakland University

Oregon State University

Pennsylvania State University

Pima County Community College

Portland State University

Prairie View A&M University

Purdue University

Radford University

Stephen F. Austin State University

Temple University

Texas Southern University

Texas State, San Marcos

The Citadel

University of Baltimore

University at Brockport (SUNY)

University at Shady Grove

University of Alaska

University of Arkansas

UC, Hastings School of Law

University of California Retirement System

University of Florida

University of Connecticut

University of the District of Columbia

University of Florida

University of Idaho

University of Kentucky

University of Louisville

University of Maine

University of Mary Washington

University of Maryland

University of Massachusetts

University of Michigan

University of Minnesota

University of Missouri

University of New Mexico

University of North Carolina, Charlotte

University of North Florida

University of Oklahoma

University of Pittsburgh

University of South Florida

University System of New Hampshire

University of Tennessee System

University of Texas Health Sciences Center San Antonio

University of Utah

University of Virginia

Utah State University

Virginia Commonwealth University

Virginia Tech

Weber State University

West Georgia College

West Virginia University

Western Kentucky University

Western Michigan University

Wright State University

Select Private Higher Education Clients

Art Center College of Design
Baylor University
Bob Jones University
Bowdoin College
Brandman University
Brown University
Bucknell University
Caldwell College
Calvin College
Carroll College
Chapman University
Colgate University
Colorado School of Mines
Columbia University
Corban University
Cornell University
Dalhousie University
DePaul University
Des Moines University
Dominican University
Dickinson College
Drake University
Drew University
Duke University
Duquesne University
Embry-Riddle Aeronautical University
Emerson College
Excelsior College
Fairleigh Dickinson University

Flagler College
Florida Institute of Technology
Franklin University
Gettysburg College
Georgetown University
Gonzaga University
Hamilton College
High Point University
Hobart & William Smith College
Illinois Institute of Technology
Ithaca College
J. David Gladstone Institutes
Lewis University
Loyola Marymount University
Loyola University of Maryland
Manhattanville College
Marietta College
Marist College
Marymount Manhattan College
Massachusetts College of Art
Massachusetts Institute of Technology
Mercy College
Methodist University
Molloy College
Monmouth University
Morehouse School of Medicine
Mount Holyoke College
Mount St. Mary's University
Mount Ida College

Nazareth College
New England College
Niagara University
North Central College
Nova Southeastern University
Ohio Northern University
Ohio Wesleyan University
Pace University
Pacific Northwest University of HS
Polytechnic Institute
Princeton University
Providence College
Rensselaer Polytechnic Institute
Regis University
Rice University
Rider University
Rocky Vista University
Saint Joseph's University
Saint Mary's College of CA
Saint Peter's University
Salem College
Samford University
Sarah Lawrence College
Seattle University
Seton Hall University
Shenandoah University
Siena College
Skidmore College

Springfield College
St. Edwards University
St. Thomas University
Stetson University
Stevens Institute of Technology
Stonehill College
Texas Christian University
Union College
University of Denver
University of Mount Union
University of Richmond
University of St. Thomas
University of Scranton
University of Tampa
University of the Pacific
University of Tulsa
Vanderbilt University
Vanguard University
Villanova University
Washington College (MD)
Westmont College
Wheaton College (MA)
Widener University
Wilkes University
Worcester Polytechnic Institute
Xavier University
Yeshiva University

Review / Assessment Findings

> **Staffing ratios exceed national and peer benchmarks**

- Despite decreases in enrollment, TSU has not aligned resources to match the number of students

- Student enrollment (headcount) was reported to be 7,780 in Fall 2018 (~6,500 FTE students)

  - This number is down from peak enrollment of 9,167 (headcount) in 2015[1] (-17.8%)

- A significant number of classes at TSU have fewer than 10 students[1] (headcount)

- Factors influencing decreasing enrollments include aging campus infrastructure, the Tennessee Promise, change in admission requirements, student funding challenges and other factors, such as national and local economic factors

- TSU has a number of students who come to the University from underserved communities, households and populations, which presents complex issues for the University and requires the institution to balance its financial realities with compassion and the needs of these students

[1] Taken from the Faculty-Staff Institute report and report from Enrollment Management
[2] The Fall 2019 enrollment is 8,081 (headcount)

Assessment Findings

> **Staffing ratios exceed national and peer benchmarks**

- Current staff levels are consistent with the needs of a University serving 9,000+ FTE students

- Peer institution data reveals that TSU employs a higher number of staff FTE (non-instructional employees) and faculty FTE (instructional employees) relative to FTE students than its peers

  – At TSU the ratio of FTE students to FTE staff is 7 to 1; At peer institutions the ratio of FTE students to FTE staff is 10 to 1

    » TSU has staff FTE appropriate for approx. 2,500 more students than they currently have. At a ratio of 10:1 this means that TSU has 250 FTE in excess staff. At approx. $50,000 salary and benefits, this would equate to a cost savings of **~$12.5M**

  – At TSU the ratio of FTE students for FTE faculty is 15 to 1; At peer institutions the ratio of FTE students to FTE faculty is 17 to 1

    » TSU has faculty FTE appropriate for approx. 800 more students than they currently have. At a ratio of 18:1 this means that TSU has ~44 FTE in excess faculty. At approx. $90,000 salary and benefits, this would equate to a cost savings of **~$3.96M**
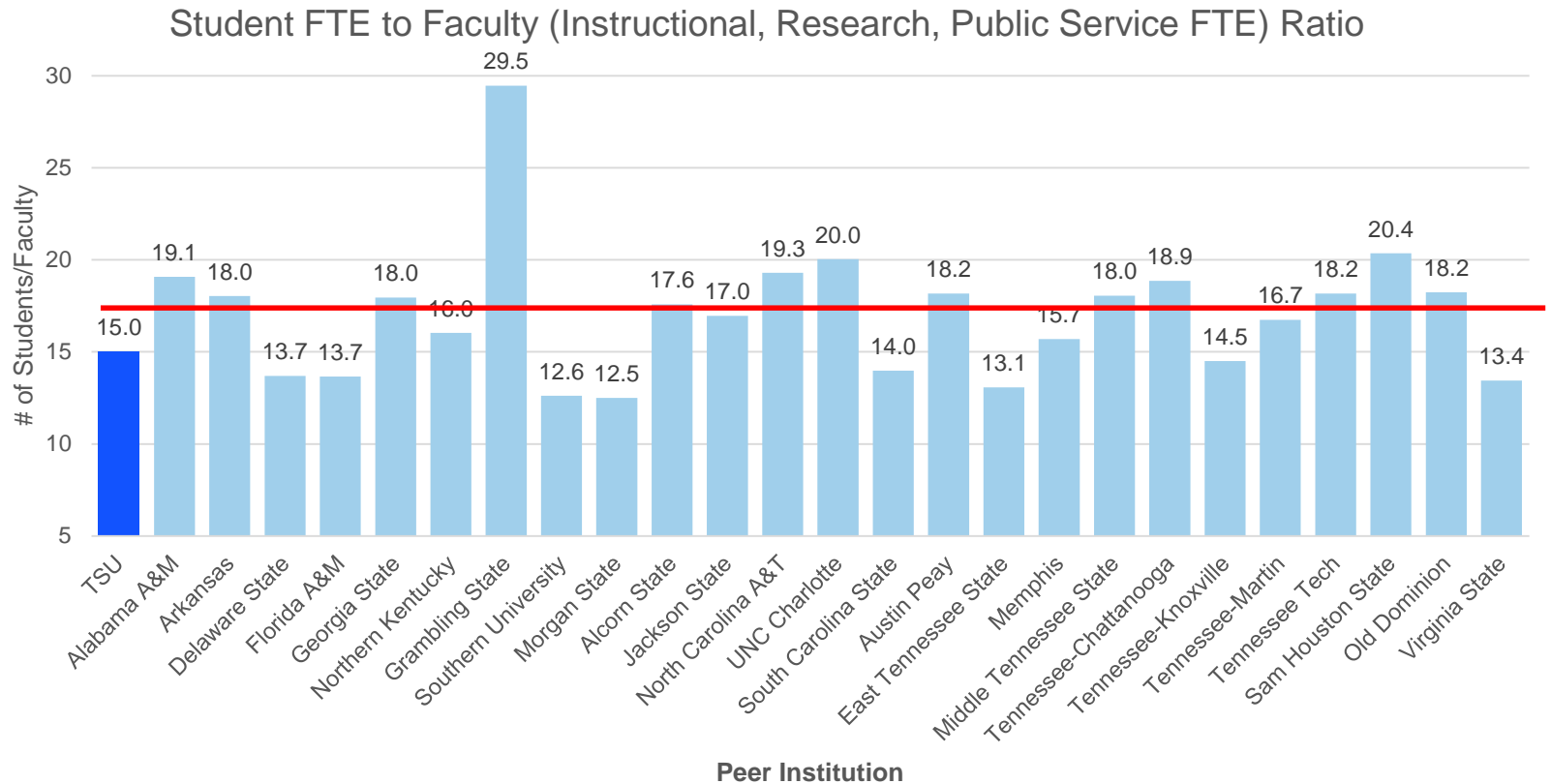
Staffing Benchmarking
Student FTE to Staff Ratio

Student FTE to Staff (Non-Instructional FTE) Ratio
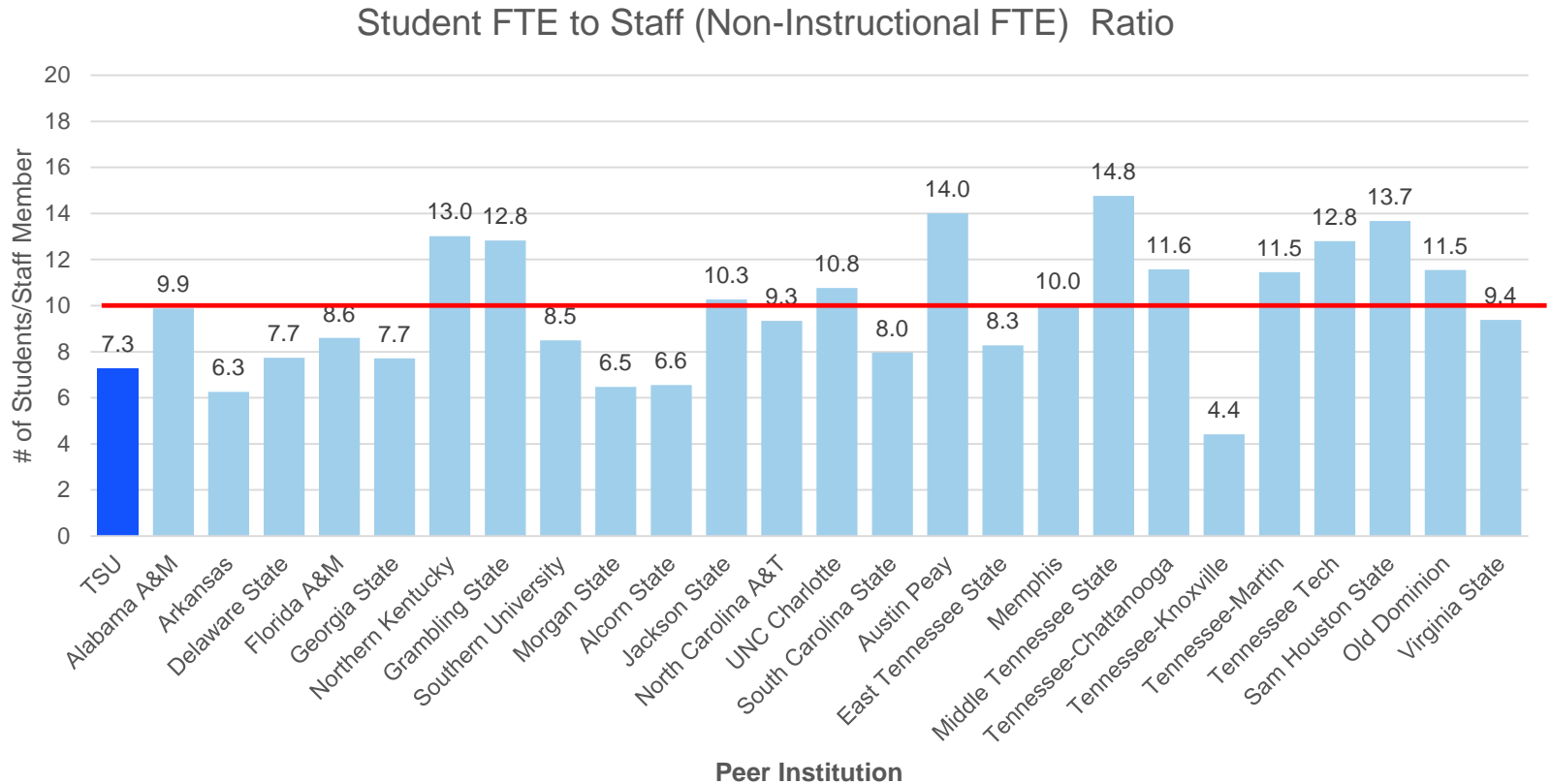
The average Student FTE to Staff ratio is 10:1 (rounded from 9.8), meaning for every 1 Staff member, an institution has approximately 10 FTE students. At TSU, the reported number is 7.3 Student FTEs to one Staff member. This means that according to IPEDS, **TSU has a higher average staff (non-instructional) population than its peers relative to its student population.**
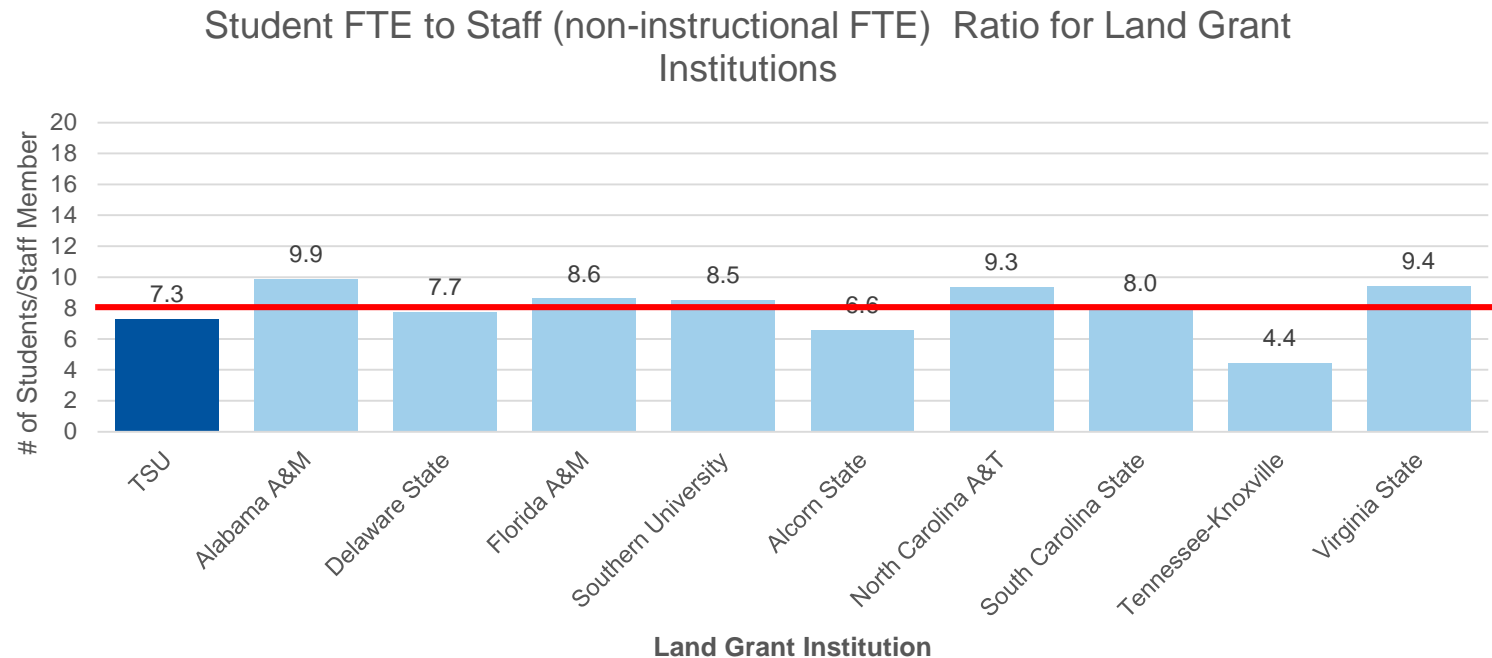
Staffing Benchmarking
Student FTE to Faculty Ratio

Student FTE to Faculty (Instructional, Research, Public Service FTE) Ratio

The average Student FTE to Faculty ratio is 17:1, meaning for every 1 Faculty member, an institution has approximately 17 FTE students. At TSU, the reported number is 15 Student FTEs to one Faculty member. This means that according to IPEDS, **TSU has a higher average faculty population than its peers relative to its student population.** It is important to note that there is one outlier, Grambling State. With the outlier removed, the average is 16.5 FTE Students per 1 FTE Faculty.

Staffing Benchmarking
Student FTE to Staff Ratio (Land Grant Institutions)

Student FTE to Staff (non-instructional FTE) Ratio for Land Grant Institutions

The average Student FTE to Staff ratio is 8:1 (rounded from 7.97), meaning for every 1 Staff member, a land grant institution has approximately 8 FTE students. At TSU, the reported number is 7.3 Student FTEs to one Staff member. This means that according to IPEDS, **TSU has a higher average staff (non-instructional) population than its land grant peers relative to its student population.**

Staffing Benchmarking
Student FTE to Faculty Ratio (Land Grant Institutions)

Student FTE to Faculty (Instructional, Research, Public Service FTE) Ratio
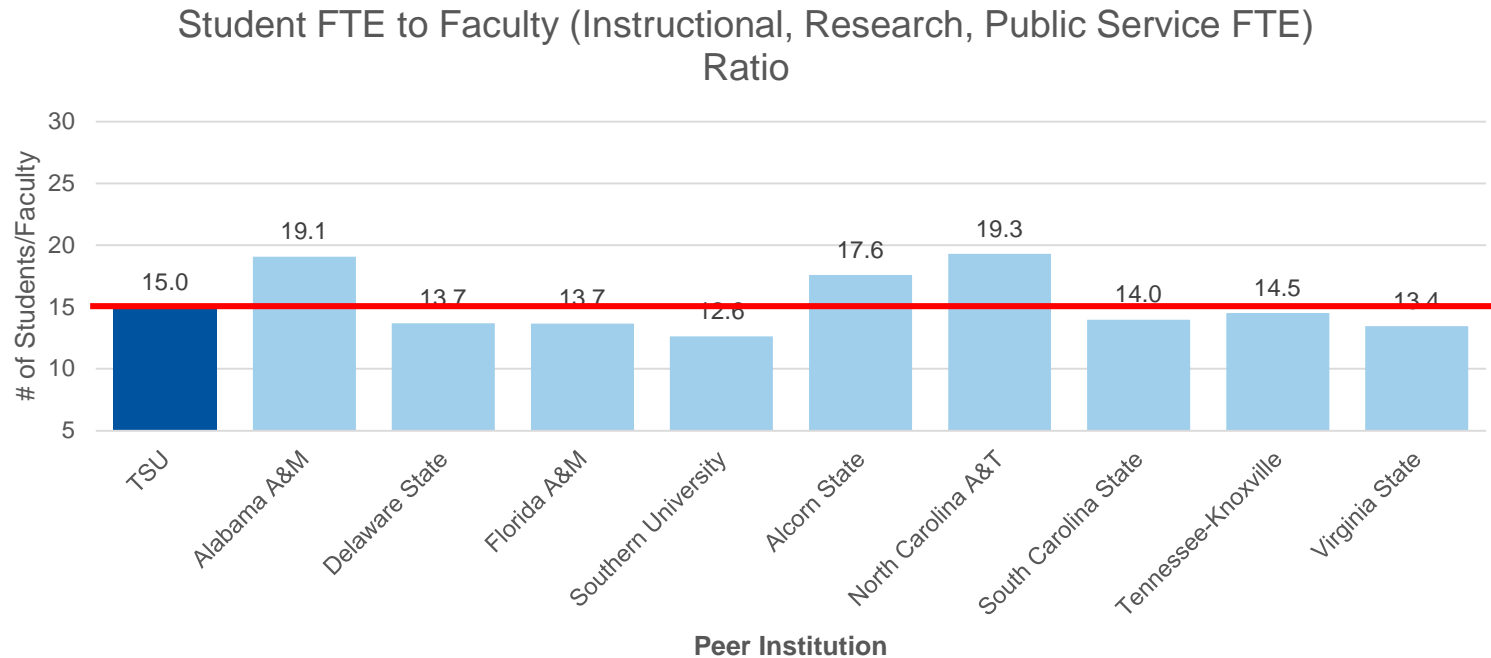
The average Student FTE to Faculty ratio is 15:1 (rounded from 15.29, meaning for every 1 Faculty member, a land grant institution has approximately 15 FTE students. At TSU, the reported number is 15 Student FTEs to one Faculty member. This means that according to IPEDS, **TSU has an equivalent average faculty population to its land grant peers relative to its student population.**

Recommendations

Based on our observations and knowledge of best practices, Sibson Consulting recommends the following:

➤ Align **staff and faculty numbers** to student enrollments

- Embark on a four year process to realign staffing levels and structures to the student enrollments and peer benchmarks and standards, while increasing revenue generation through enrollments

  – Utilize mechanisms such as a Voluntary Separation Incentive Program, Spans and Layers Assessment, Closure of non-essential academic programs, and non-replacement of attrition (see following slide for proposed strategy)

- As noted on the following slide, the plan requires both cost reduction and revenue generation. If TSU is able to increase enrollment by approximately 306 student completions (approximately $3.9M revenue growth), it would need to reduce staff and faculty headcount by 196 FTEs (131 FTE staff and 65 FTE faculty).

- Absent any revenue generation, in order to achieve the same financial impact, TSU would need an additional FTE reduction of approximately 41 FTE staff and 20 FTE faculty, for a total reduction of 257 FTE (171 FTE staff and 86 FTE faculty).

- If the University needs to achieve greater financial impact, it would need to pursue additional cost reduction strategies amongst staff and faculty

Recommendations
Option 1: Cost Reduction and Revenue Generation

➤ Address the **misalignment of staff and faculty** to the actual student enrollments (continued…)

Time Frame	Vehicle(s)	Cost Savings/ Revenue Generation
Year 1	VSIP (assumes 80-90 retirements, 2/3 staff, 1/3 faculty), Organizational restructuring, Attrition non-replacement (assumes 10-20), Strategic Hiring	$6,360,000 (100 reduced FTEs) Replace 10%- $630,000 Net Savings= $5,730,000
Year 2	Attrition non-replacement, Strategic Hiring, Closure of non-essential academic programs, Conduct Spans and Layers Review and Adjust Headcount Accordingly, Revenue growth through enrollment and other methods	$2,040,000 (32 reduced FTEs) $1,300,000 (revenue growth through approximately 102 student enrollments/ completions)*
Year 3	Attrition non-replacement, Strategic Hiring, Closure of non-essential academic programs, Conduct Spans and Layers Review and Adjust Headcount Accordingly, Revenue growth through enrollment and other methods	$2,040,000 (32 reduced FTEs) $1,300,000 (revenue growth through approximately 102 student enrollments/ completions)*
Year 4	Attrition non-replacement, Strategic Hiring, Closure of non-essential academic programs, Conduct Spans and Layers Review and Adjust Headcount Accordingly, Revenue growth through enrollment and other methods	$2,040,000 (32 reduced FTEs) $1,300,000 (revenue growth through approximately 102 student enrollments/ completions)*
Total		**$11,850,000 Cost Savings** **$3,900,000 Revenue Growth**

* To the extent that TSU is able to achieve a more significant impact on revenue than listed above, the degree to which the cost reduction measures are utilized may be able to decrease, particularly in years 2, 3, and 4

Recommendations
Option 2: Cost Reduction Only

➤ Address the **misalignment of staff and faculty** to the actual student enrollments (continued…)

Time Frame	Vehicle(s)	Cost Savings/ Revenue Generation
Year 1	VSIP (assumes 80-90 retirements, 2/3 staff, 1/3 faculty), Organizational restructuring, Attrition non-replacement (assumes 10-20), Strategic Hiring	$6,360,000 (100 reduced FTEs) Replace 10%- $630,000 Net Savings= $5,730,000
Year 2	Attrition non-replacement, Strategic Hiring, Closure of non-essential academic programs, Conduct Spans and Layers Review and Adjust Headcount Accordingly, Revenue growth through enrollment and other methods	$2,040,000 (32 reduced FTEs)
Year 3	Attrition non-replacement, Strategic Hiring, Closure of non-essential academic programs, Conduct Spans and Layers Review and Adjust Headcount Accordingly, Revenue growth through enrollment and other methods	$2,040,000 (32 reduced FTEs)
Year 4	Attrition non-replacement, Strategic Hiring, Closure of non-essential academic programs, Conduct Spans and Layers Review and Adjust Headcount Accordingly, Revenue growth through enrollment and other methods	$2,040,000 (32 reduced FTEs)
Additional Cost Reduction	Absent any revenue generation, and depending on the number of VSIP participants and reduced FTEs in the above years, there may still be a need for further faculty and staff reductions to achieve the same financial impact. This involuntary reduction would be considered after an assessment of the impact of the VSIP and additional strategies	$3,850,000 (61 reduced FTEs)
Total		**$15,700,000 Cost Savings**

Recommendations

Based on our observations and knowledge of best practices, Sibson Consulting recommends the following:

> Elevate **recruitment and retention** of students to align with best practices standards in higher education

- Undergo a strategic planning process for the University, for Academic Programming, and for Facilities

- Initiate a marketing and communications effort to bolster the TSU reputation in the community

- Develop a plan to beautify the campus and improve infrastructure

> Assess, enhance and expand TSU **academic offerings** to align to the needs of students and increase revenues

- Employ market trends, student surveys, and Nashville strengths to update the curriculum and attract additional prospective students, while building on current strong programming

- Assess number of programs and colleges, and identify programs that are not fully utilized to phase out of the curriculum

- Establish a plan to leverage Nashville assets, elevate online programming and better utilize the Downtown Campus

Recommendations

Based on our observations and knowledge of best practices, Sibson Consulting recommends the following:

➤ Undergo an institution-wide **operational and organizational improvement and efficiency effort**

- Review, assess and revise where appropriate TSU policies to be consistent with best practices

- Develop a culture initiative that aims to position TSU as an employer of choice

- Ensure alignment of organizational structures to University and community needs and best practices

Recommendations

Based on our observations and knowledge of best practices, Sibson Consulting recommends the following:

➤ **Elevate levels of customer service** and position operational units as **centers of excellence** with high standards of productivity and strategic focus

- Consider new ways to deliver HR services that positions them to provide strategic and consultative services to faculty and staff

- Work with financial aid and bursar to identify ways to increase process efficiency, customer service, data integrity, etc.

- Undergo a strategic planning exercise to clarify purpose and identify innovative strategies to reach students in both the Recruitment function and the Media and Communications function

- Enhance the student advising model to increase retention and support TSU students in their academic journey
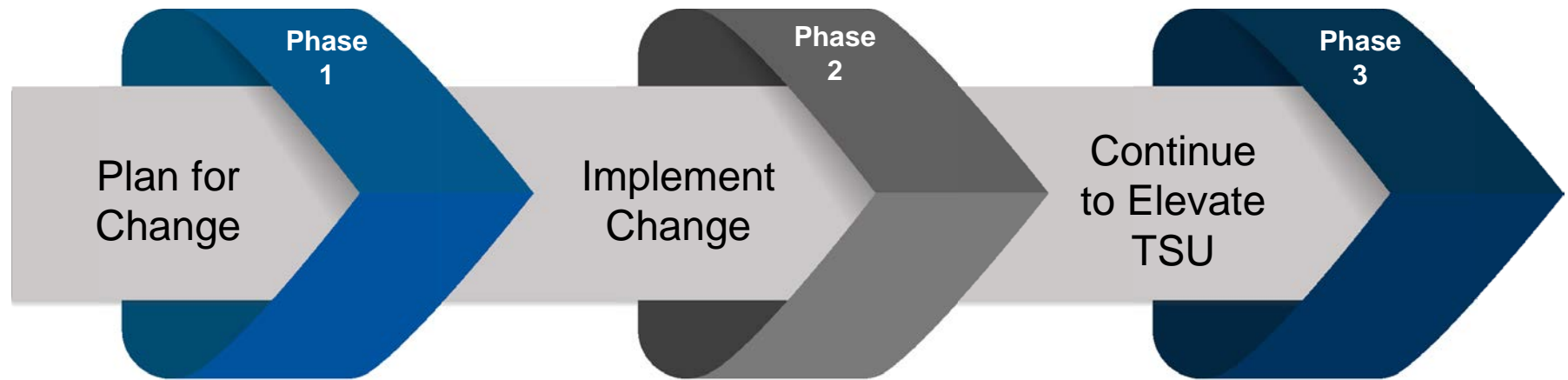
Recommendations

Based on our observations and knowledge of best practices, Sibson Consulting identified the following potential revenue enhancing measures:

- Utilize facilities during summer or close campus completely

- Establish a community health clinic on campus to serve students and the local community

- Maximize realized funding and appropriations through Title III matches

- Improve grant writing and grant processing to bring in more grant funding

- Franchise TSU merchandise

- Better utilize corporate partnerships and sole service contracts (i.e., Pepsi, Xerox)

- Ensure revenue from parking tickets is collected

- Charge students and community to attend all sporting events

- Increase number of summer course offerings

- Replace facility lighting with LED lights to save electricity costs

- Provide non-credit course offerings to the community

- Build a parking structure on the downtown campus and charge the public for parking for community events and after hours

- Ensure food service is available during outside events on campus

Next Steps

Phase 1	Phase 2	Phase 3
Plan for Change	**Implement Change**	**Continue to Elevate TSU**

Phase 1 — Plan for Change

- Initiate staffing level realignment through VSIP, Spans and Layers, Non-replacement of attrition, and strategic hiring
- Identify and prioritize units for restructuring and transformation efforts pending outcomes of VSIP
- Implement measures to affect cultural change and to increase employee morale
- Complete overhaul of the current customer service model to significantly enhance customer service
- Assess academic programming and identify an academic strategic plan
- Begin initial planning steps of an updated University strategic plan
- Begin development of a facilities master plan
- Identify key policies in need of revision
- Initiate a rebranding and marketing effort
- Explore potential public-private partnership opportunities
- Enhance support for high demand programs to increase enrollment

Phase 2 — Implement Change

- Begin organizational and operational restructuring initiatives for key areas
- Implement academic strategic plan by closing non-essential programs, introducing innovative programming, elevating online courses, and utilizing the Downtown campus
- Begin acting upon facilities master plan, including realizing the public-private partnerships with high ROI
- Revise policies and communicate/train employees
- Continue to reduce faculty and staff headcount through staffing reduction measures
- Increase enrollments through new programming and offerings

Phase 3 — Continue to Elevate TSU

- Begin adding revenue opportunities
- Continue to reduce faculty and staff headcount through staffing reduction measures
- Increase enrollments through new programming and offerings
- Build relationships and partnerships with corporations and community organizations