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ABHE 78th ANNUAL MEETING

FEBRUARY 19-21, 2025

Averting Crisis; Watching the Essential KPIs

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Averting Crisis; Watching the Essential KPIs

Not all institutional data is created equal. There are a few KPIs that qualify for "must see in a timely manner" that every board should receive from the institutional administration. Without these, you're driving forward blind and reckless.

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Averting a Crisis

"I had no idea things were this bad."
"Why didn't someone let us know?"
"How could this happen?"
"Who is responsible?"

When there is a crisis, people want answers and look to leaders to hold them accountable.

Averting a Crisis

How would you characterize the condition of your college?

- Strategic and Thriving
- Just Surviving
- On Life Support

What do you need to know to answer that question?

Effective leaders rely on **consistent**, **carefully curated**, **comprehensive** data that enable them to evaluate and ensure mission achievement for the short and long term.

Board Policy Statement

- Prior to each trustee meeting, the administration will provide the board with a concise report of key **metrics** that indicate the status of institutional heath and effectiveness.
- Get the support and approval of the Board of Trustees.
- Designed and Prepared by the Administration.

The Role and Benefits of KPIs

- **Definition**
  - A quantifiable measure used to determine how well your college is meeting its operational and strategic goals.
- **Purpose**
  - Evaluation and Assessment of Success
  - Alert Leadership to Problem Areas
  - Sustainability – What is the condition of the college?
  - Benchmarking
  - Decision-making
  - Accreditation

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Selecting Appropriate KPIs

How do you decide which metrics to track?

- **Academic**
- **Advancement**
- **Enrollment**
- **Finance**
- **Student Life**

Remember: look at the trend, not just a snapshot in time, and ask questions.

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Critical Metrics: Student Enrollment

- Prospects - general pool of potential students.
- Inquiries: Students who show interest and request information.
- Applicants: Students who complete the application process.
- Admitted: Students who are accepted into the college.
- Deposits: Pay the required fee to enroll in the next semester.
- Enrolled: Students who finalize enrollment and begin their studies.

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Critical Metrics: Student Enrollment

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Headcount

- Total number of students enrolled in the college
- Number of students enrolled by major and level

Full Time Equivalent (FTE)

- Undergrad – 12 credit hours per semester
- Grad – 9 credit hours per semester

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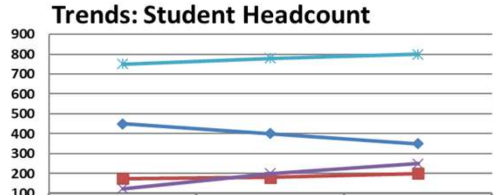
Trends: Student Headcount



	2022	2023	2024
Undergraduate	450	400	350
Graduate	175	180	200
Certificate	125	200	250
Total	750	780	800

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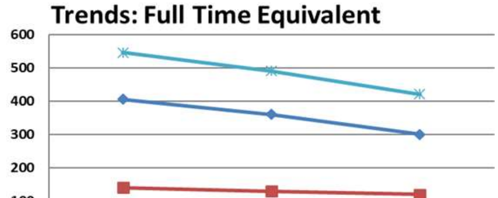
Trends: Full Time Equivalent



	2022	2023	2024
Undergraduate	405	360	300
Graduate	140	130	120
Total	545	490	420

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Critical Metrics: Financial

Tuition Discount Rate – the percentage of tuition that is given to students as unfunded scholarships, from all college sources.

Net Tuition Revenue – very easy to calculate. It is the amount of gross tuition less the amount awarded in unfunded aid. It does not include endowed (funded) scholarships.

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Critical Metrics: Financial

Gift Income – amount and sources (individuals, churches, foundations, etc.)

Short-term and Long-term Debt – use of line of credit and terms

Increase or Decrease in Net Assets – available from audit

Reserves – how many months of operating cash available

Endowment – balance and net increase/decrease

Composite Score Ratio– a comprehensive rating

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Critical Metrics: Student Outcomes & Educational Effectiveness

Graduation Rate – how many students complete their degree within a specified period of time?

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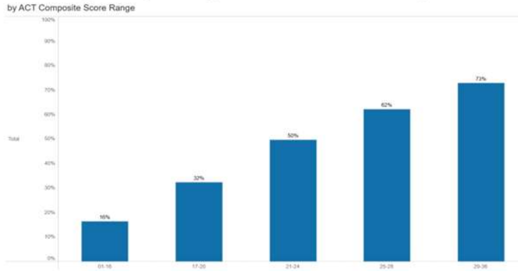
Percent Earning an Undergraduate Degree Within 100% of Normal Time to Degree

by ACT Composite Score Range



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Critical Metrics:
Student Outcomes &
Educational Effectiveness

Graduation Rate – how many students complete their degree within a specified period of time?

Retention Rate – how many students return the following year?

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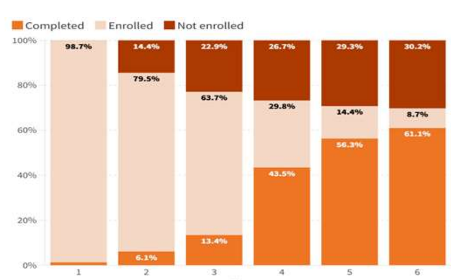

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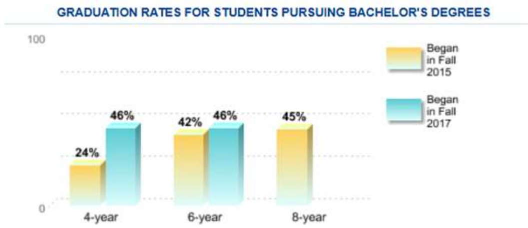
Data Resource:
www.nces.ed.gov/collegenavigator



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Critical Metrics:
Student Outcomes &
Educational Effectiveness

Graduation Rate – how many students complete their degree within a specified period of time?

Retention Rate – how many students return the following year?

Placement Rates – what happens to graduates after they leave?

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Reporting Results

" I've analyzed, condensed and simplified the data... it was a good quarter."

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Dashboards

- Essential High-Level and Relevant Facts
- Visually Presented for Quick Comprehension
- Consistently Provided at Each Board Meeting
- Aligned with Mission and Sustainability
- Executive Summary/Narrative as Appropriate

Reminder: *The Dashboard is NOT an exhaustive recap of activity and developments in all areas of the college.*

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Creating a Useful Dashboard Processes and Reports

- ✓ User Friendly
- ✓ Visually Attractive
- ✓ Right Chart
- ✓ Color Coded
- ✓ Show Trends
- ✓ Simplicity
- ✓ Provide Context

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The Balanced Scorecard Model Adapted for Higher Education

Financial *or* Stewardship	• Financial Performance • Effective Resource Use	Debt, Endowment, Net Tuition, Composite Score, Default Rate, Donations
Customer & Stakeholder	• Customer Value • Satisfaction and/or Retention	Graduation & Retention Rates Placement Rates Student Satisfaction Inventory
Internal Process	• Efficiency • Quality	Tuition Discount Enrollment and Yield Rates Accreditation Status
Organizational Capacity *or* Learning & Growth	• Human Capital • Infrastructure & Technology • Culture	Facility Capacity/Occupancy Employee Status Faculty/Student Ratio

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Digital Dashboards

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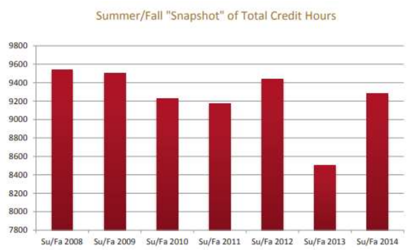
A Low-Budget Dashboard



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Indicator	Definition	Source	Prepared by	Green	Yellow	Red
Headcount	Number of students enrolled in degree programs	Registrar	VP Enrollment	Increase of 5% or more	Decrease of 4% to increase of 4 %	Decrease of more than 5 %
FTE	Full Time Equivalent for students enrolled in degree programs	Registrar	VP Enrollment	Increase of 5% or more	Decrease of 4% to increase of 4 %	Decrease of more than 5 %
Tuition Discount Rate	Unfunded scholarships percent of tuition revenue	Business & Finance	VP Business	45% or less	46% to 52%	53% or more
Net Tuition Revenue	Net tuition generated by TUG, OUG, GRAD	Business & Finance	VP Business	Increase over previous year	Equal to previous year	Less than previous year
Gift income	Total of donor giving to restricted and unrestricted funds	Advance. Office	VP Advancement	At or above budget	5% below budget	10% below budget
Operating Budget Surplus or Deficit	Net loss or gain at end of fiscal year	Business & Finance	VP Business	No Budget Deficit	Deficit of ___% to ___%	Deficit of ___% or more
DOE Financial Responsibility Score	Composite rating based on cash reserves, assets, debt, etc.	Business & Finance	VP Business	1.5 or above	1.1 to 1.4	1.0 or below
Housing Occupancy	Percent of capacity of residence hall occupancy	Residence Life	VP Student Affairs	375 or above	325 to 374	324 or below

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A Low-Budget Dashboard

Gross Tuition	$ 1,500,000	$ 1,750,000	17%	
Scholarships	(500,000)	(550,000)	10%	
Net Tuition	$ 1,000,000	$ 1,200,000	20%	↑
Church giving	$ 350,000	$ 375,000	7%	
Donor giving	250,000	260,000	4%	
Total Operating Gifts	$ 600,000	$ 635,000	6%	↑
Net Endowment Draw	$ 1,000,000	$ 950,000	-5%	↓
Other Income	$ 250,000	$ 235,000	-6%	↓
Total Revenue	$ 2,850,000	$ 3,020,000	6%	↑
Total Expenses	$ 3,000,000	$ 3,000,000	0%	▭
Operating Surplus (Deficit)	$ (150,000)	$ 20,000		↑

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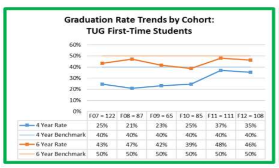
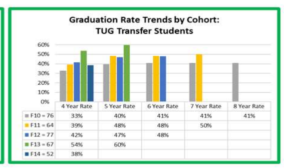
A Low-Budget Dashboard





Graduation rates are reported for each incoming fall cohort of both first-time, full-time and first-time transfer students for four, six, and eight-year completions.

6 year benchmark: 50%; **GREEN** = >45%; **YELLOW** = 35% to 45%; **RED** = <35%.

Retention and graduation rates are key indicators that are monitored by both accrediting associations and government agencies. In addition, these figures provide necessary information for academic, budgetary, and other elements of strategic planning. Federal reporting for these rates applies only to first-time, full-time students who enter in the fall semester. Both the four and six-year rates are presented for first-time, full-time students. Also shown are the graduation rates for transfer students. While these students vary in the amount of credits they transfer in from different institutions, they demonstrate a comparable six-year graduation rate to first-time students.

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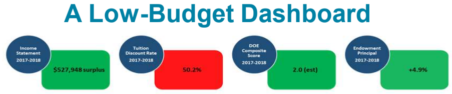
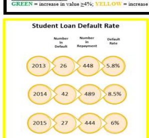
A Low-Budget Dashboard



Measures

Income Statement: net loss or gain at the end of the fiscal year.
GREEN = >$300K; **YELLOW** = >$50K and <$300K; **RED** = <$50K
Tuition Discount Rate: unfunded scholarships as a percentage of tuition revenue; benchmark is regional peers.
GREEN = ≤40%; **YELLOW** = 41% to 45%; **RED** = ≥46%
DOE Composite Score: based on cash reserves, assets, debt, etc. monitored for Title IV eligibility. Below 1.5 is in the failing range.
GREEN = >1.8; **YELLOW** = >1.5 and <1.8; **RED** = <1.5
Endowment Principal: book value of HIU's endowment funds.
GREEN = increase in value ≥4%; **YELLOW** = increase or decrease <4%; **RED** = decrease ≥4%



Monitoring financial indicators is essential for ongoing fiscal health. These four metrics, as well as a fifth – Student Loan Default Rate – are very instrumental. The 2017-18 fiscal year ended with a net surplus. This has a significant bearing on the DOE Composite Score that is currently estimated at 2.0. The Student Loan Default rate has seen a slight yet steady climb that is consistent with national trends. The Student Loan Default Rate is based on a three-year cohort. Schools with a default rate of 30% or greater in three consecutive years or 40% in the most recent fiscal year may be subject to sanctions in the school's Title IV program participation.

GREEN = < 5%; **YELLOW** = 5%-15%; **RED** = > 15%

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Questions for Reflection

1. How well does our Dashboard of Key Performance Indicators inform us of the data necessary to govern strategically?
2. What metrics and trends are we not currently monitoring that need to be included in our dashboard?

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Questions and Discussion

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