

**athy Hill**

**<chill@regents.state.o**

**h.us>**

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To: "Dr. Fred Law - Lakeland" <FLaw@lakeland.cc.oh.us>,  
fwlaw@lakelandcc.edu

cc:

Subject: Report Requested

Good morning,

Sorry for the delay -- we currently are having network computer systems problems - and I was not able to access my files.

Things sometimes and some days -- just never go the way you want them to.

Attached is my final draft --- be assured we are open to any ideas, suggestions, input, volunteers to serve on our focus/steering group -- as OBR staff continues to work on this project. Board asked that we continue to work on this project.

Not sure if anyone there this morning was at Board meeting and can report to the group the Board's comments regarding my presentation of the report. The Board was pleased with the information provided in the report, the recommendations proposed and understand that we have a great program proposal review process -- but need to strengthen OBR's on-going review of approved degree programs approved.

How best to do that -- is still part of the staff's project.

Have a great meeting -- talk to you soon !!!

Questions -- do not hesitate to ask. Here to help where we can.

Final - Program Viability Review 1.05



**Ohio Board of Regents**

# **Program Viability Review**

Prepared for the  
Program Effectiveness, Research  
and  
Technology Committee

January 27, 2005

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### **Appendices:**

Appendix A: Brief Overview of Ohio Board of Regents New Degree Program Request and Approval Process for Two, Four and Graduate Degrees

Appendix B: Inactive Program Survey – Reported Examples of Cost Savings from Campus Programs Placed on Inactive Status

## **Executive Summary**

The report responds to the Board request that staff review the processes in place to determine the continued viability of programs approved by the Board. The importance of this issue is recognized in the call of the Governor's Commission on Higher Education and the Economy for intensified efforts at colleges and universities to implement strategies for improving efficiency and productivity in a budget constrained environment.

Information gathered in the preparation of this report determined widespread use of processes to determine if existing programs are market responsive and cost effective. However, opportunities were identified for improvement.

Areas for improvement include incorporating into the program approval process the campuses' specific plans for conducting a follow-up program viability review within three to five years of the implementation of the program and reporting the results to the Regents. Utilize HEI tracking systems to periodically compare actual enrollments and graduates from approved programs against proposed figures.

Significant interest was expressed in the convening of a working group of various campus and state higher education representatives to identify program viability review best practices and develop recommendations for disseminating that information.

## **Purpose of the Report**

The purpose of this report is to respond to the Board's request that staff review the processes in place to determine the continued viability of programs approved by the Board and identify any opportunities for improvement. It is important for the Board to be able to determine if programs approved are continuing to be successful targeting current and future labor market needs, maintaining or increasing in student enrollment, and operating in a cost effective manner.

## **Background**

In its final report, the recent Governor's Commission on Higher Education and the Economy provided recommendations and insights critical to Ohio higher education achieving its full potential to create more and better jobs for the state's citizens, increase economic competitiveness, and fuel economic growth. The Commission urged the higher education community to expand and intensify both institutional and collaborative efforts to identify and implement strategies for improving efficiency, productivity and cost reduction where applicable. This call reflects the challenge of severely limited state resources and the opportunity that can be found in well-designed collaboration.

The Commission report also cites the importance of colleges and universities identifying and reporting on programs that are no longer viable, strategies implemented for program elimination, and savings realized.

## **The Study Approach Taken**

Staff gathered information about processes in place from Ohio's colleges and universities to determine the continuing viability of degree programs previously approved by the Board.

Information was gained from Chief Instructional Officers, Higher Education officials in other states, and the findings of the survey of inactive academic programs.

## **Regents Program Approval Authorization and Review Process**

The Ohio Revised Code states that the Ohio Board of Regents is required "to approve or disapprove all new degrees and new degree programs at all state colleges, universities and other state-assisted institutions of higher education." Associate degree programs, undergraduate programs, and graduate and professional programs are reviewed.

The Board of Regents is also required by Rule 3333-1-08 in the Ohio Revised Code to issue Certificates for Authorization to non-profit universities, colleges, academies, schools, or other institutions, incorporated or unincorporated, that

offer instruction in one or more fields such as technical education, the arts and sciences, teacher education, business administration and others in the State of Ohio.

The procedures governing the issuing of Certificates for Authorization are defined in the Standards for Issuance of Certificates of Authorization, Section 1713.03 of the Ohio Revised Code.

The current program approval process is designed to encourage dialogue and discussion between individual institutions and OBR staff throughout the process. Information from the institution is considered during the stages of the review process leading to a recommendation to the Board for approval or disapproval. A brief overview of a new degree program request and approval process for two, four and graduate degrees is provided in Appendix A.

In the review of a newly proposed degree and/or degree programs at any level, there are some common factors that are considered, including:

- description, rationale and need for the new degree or program including geographical access
- description of proposed curriculum academic oversight
- financial impact/costs to be incurred
- faculty expertise and oversight
- projected student enrollment
- licensure and/or certification requirements and availability of labs to accommodate number of students enrolled
- articulation agreements
- program duplication or potential of conflicts with existing programs
- supportive services

### **How Campuses Are Addressing the Issue of Program Viability**

To assist in assessing the viability of programs already approved a survey was conducted of selected two-year campuses and several private institutions whose new degrees were approved during September through November 1998. In follow-up discussions with representatives of the institutions, it was evident that each institution has an existing, defined program viability review process that is conducted yearly, every two years or at five year intervals. The institutions' processes strive to ensure that the degree programs are still valid, that there is an appropriate student enrollment to merit the continuation of the programs, that the programs remain responsive to labor market needs for trained workers, continue to be cost effective, and maintain a level of quality for individuals enrolled in the program.

The implementation of campus program viability review processes is also driven by the reality that all of Ohio's public institutions and their degree programs must periodically participate in program evaluations by regional or professional accrediting associations. These reviews assist in determining that programs are meeting specific state licensing standards for curriculum criteria and quality.

In January 2004, OBR conducted a survey of two and four year institutions to learn about the process of rendering programs inactive. A question driving this inquiry was: Are schools allowing programs to continue when there is no more interest in the program and thus draining institutional and state resources? The responses to the survey confirmed that most campuses have formal processes to examine whether an academic program or major is 1) cost effective 2) is "self-sufficient," or 3) is draining resources. Those processes can be initiated either from the top down (from the Chief Academic Officer or President) or from the department itself. The survey reported that when a decision is made by the institution to make a program inactive, the institution may keep portions of that program operating so students already in the program are given a reasonable time to complete the program.

Also, academic officers routinely make decisions whether or not to offer all courses and sections advertised in the institutions' bulletins. The survey asked the institutions to describe the process and criteria used in canceling course sections.

The responses from the institutions showed that the academic officers make decisions to offer courses on the basis of the fiscal viability of the course. Nearly every institution identified a minimum threshold of enrollments that constitute a 'break-even' point. This threshold varies by whether the program is a lower or upper division undergraduate course, or a graduate course. At some campuses a lower division enrollment threshold is as high as 15 and as low as 7. Graduate thresholds vary between 5 to 10 students in a section.

The results of the survey seem to confirm that:

- Low enrollments initiate the process of inactivating a major.
- Academic administrators at many levels are involved in making decisions to render a program inactive.
- Academic administrators are aware of the fiscal ramifications of offering a program or course with low enrollments and look for ways to be fiscally responsible while also providing service to the student.

Examples reported by campuses of cost savings reported from the deactivation of programs are found in Appendix B.

## How Other States Are Addressing the Issue of Program Viability

Contacts with representatives from out of state higher education organizations listed in the chart determined that other states are re-examining their states' program approval and review processes, and have implemented some new program approval/review policy changes.

State	Higher Education Agency	Consideration of Program Viability
Illinois	Illinois Community College System	<p>System has a review process where each instructional program is evaluated on a revolving five-year cycle and considers for example:</p> <ul style="list-style-type: none"> <li>• Continued need for the program base on enrollment, placement, and labor market need?</li> <li>• Quality improvements made to the program in the last five years?</li> <li>• Student and academic productivity?</li> <li>• Definitive strengths and/or weaknesses?</li> </ul>
Illinois	Board of Higher Education	<p>Currently involved in a comprehensive review of its degree programs by utilizing the services of a consultant. Preliminary results of the study seem to indicate it would be advantageous to review degrees on a five year cycle.</p>
Wisconsin	University of Wisconsin System Board of Regents	<p>Academic program review process is a three person internal collaborative review system process. Institution has five years to fully implement a new degree program at which time an internal review is conducted.</p>
Pennsylvania	Pennsylvania State System of Higher Education	<p>A criterion for approval and review of programs was developed in 1984. Current yearly cycle review measures student enrollment and outcome, faculty development, curriculum refinement, academic competencies, etc.</p>

## **VII. Recap of Key Findings**

- The Governor’s Commission on Higher Education report cites the importance of colleges and universities identifying and reporting on programs that are not longer viable, strategies implemented for program elimination, and savings realized.
- Most campuses have formal processes to examine whether an academic program or major is 1) is cost effective 2) is “self-sufficient”, or 3) is draining resources.
- Academic administrators are aware of the fiscal ramifications of offering a program or course with low enrollments and look for ways to be fiscally responsible while also providing service to the student.
- Some campuses have better defined review processes than others.
- Interest was expressed among the two-year campuses in particular in working collaboratively to develop a guideline to serve as a resource for campuses in the review of the viability of current program offerings.
- Other states have found value in follow-up review of approved programs.

## **VIII. Recommendations for Consideration**

In conducting this review, Staff determined that there are significant opportunities to further support the systematic and successful assessment of the viability of new and continuing programs authorized by the Board of Regents. To support continuing improvement of campus program viability review and system wide access to the review results and lessons learned the following recommendations are proposed for consideration:

- Convene a working group of campus representatives to tap the expertise and experience of Ohio Chief Instructional Officers, state association representatives and other representatives of the Ohio’s higher education system to identify degree program viability review best practices and develop recommendations for disseminating that information. One anticipated/expected outcome of this group would be the development of an operational guideline that could assist campuses in conducting their program review process.
- Incorporate into the Regents program approval process the campus identification of their plan to conduct a follow-up program viability review within three to five years of new program implementation, and report the results to Regents.
- Use automated data assistance in the existing academic program approval procedures where possible, including identifying and tracking the submission, approval or disapproval of any new program through the Higher Education Information (HEI) System. Review proposed

enrollments and graduations against actual figures through existing HEI applications.

**Appendix A:**  
**Brief Overview of Ohio Board of Regents New Degree Program  
Request and Approval Process for Two, Four & Graduate Degrees**

**Step 1:** The development of a new proposed degree is initiated by an institution and may involve departmental chairs, specific faculty, chief instructional officer, campus deans, vice presidents, provosts, Community Advisory Committees and others.

The authority and rules to guide the institutions in this process are:

- 1) Rule 3333-10-04 – Standards for the Approval of Associate Degree Programs and the Operating Manual for Two-Year Campus Programs
- 2) Rule 3333-1-05 – Policies and Procedures for Review and Approval of New Degrees and New Degree Programs other than Graduate Degrees and Associate Degrees
- 3) OBR – Regents’ Advisory Committee on Graduate Study Guidelines & Procedures for Review & Approval of Graduate Degree Programs

**Step 2:** Preliminary Request, Advanced notice or Program Development Plan is submitted to OBR staff relating the institutions’ intent to initiate this new degree or new degree program at least six months prior to submitting a formal proposal or request.

**Step 3:** Staff conducts an administrative review and notifies the institution what additional actions are needed.

**Step 4:** Formal application/proposal is submitted to OBR staff review.

**Step 5:** Application/proposal is reviewed and analyzed by OBR Staff based on the Criteria provided for that specific level of degree.

**Step 6:** When application/proposal has been deemed desirable to move forward OBR staff recommends Board approval beginning with Committee approval.

**Step 7:** Board reviews and/or approves or disapproves the new degree requested.

**Step 8:** OBR Staff informs the institution of the Board’s decision.

**Step 9:** Evaluation and re-assessment of the continued viability of the degree and/or program are the responsibility of the institution.

**Appendix B:**  
**Inactive Program Survey – Campus Reported Examples of Cost Savings from Programs Placed on Inactive Status or Eliminated**

**Owens State Community College**

- Optometric / ophthalmic program. Elimination saved \$112k in direct expenses and some overhead. \$150k worth of material sold for \$26k 20 years later.
- Radiation Therapy: \$60k in instructional cost reduction.

**Shawnee State University**

- Saved \$100k after faculty member resigned when program was eliminated. Other full-time faculty member was reassigned.

**The University of Toledo**

- The Task Force process (to review academic programs) has been charged to identify savings of \$5 million; \$10 million; and \$15 million. These savings would be redirected to other uses. The savings were to be found from a combination of the academic and university-wide services prioritization efforts. The savings were a goal, not an estimate.

**The University of Cincinnati**

- Master of Public Administration (MPA) program eliminated saved \$113k in faculty costs.

**Cincinnati State and Community College**

- Program eliminated but faculty kept teaching same classes as electives for other departments. Previously the faculty was compensated for overload which was eliminated, saving \$9,440 in two programs. Combined with not needing to administratively support this program and elimination of classes in a second year saved a total of \$32k over two years.

**Columbus State Community College**

- Dental Lab reduced from associate's degree to certificate saved \$24k.
- Eliminated Gerontology Program due to low enrollment saved \$165k.

**Central Ohio Technical College**

- Physical Therapist Assistant Technology: \$105,523 in direct expenses
- Pharmacy Science Technology: \$16,000 in direct expenses

- Office Administration Technology: This program was deactivated for one academic year; \$118,000 was saved in direct expenses. Seeking reapproval from OBR.
- Manufacturing Engineering Technology: This program was completely deactivated; however, due to a common core of Engineering Technologies courses, little cost savings was realized by the deactivation.

### **Cleveland State University**

- This is not a program inactivation but rather a program consolidation. Several years ago, the Department of Biology, the Department of Geology and the Environmental Science Program were combined into a single academic unit – The Department of Biological, Geological, and Environmental Sciences. In this manner, one secretarial position (approximately \$30,000/year plus fringes) was eliminated. One department chairperson returned to full-time service as a faculty member, yielding an administrative stipend (approximately \$5000/year plus fringes).

### **Stark State College of Technology**

- Reported savings of \$20,000 – 30,000 a year from closing a kitchen used for Restaurant Mgmt program that was eliminated.

### **Zane State College**

- Faculty were provided retraining to instruct in a different area of the business department

### **Stark State College of Technology**

- Reassigned faculty from the Restaurant Management program were assigned to another area

### **University of Cincinnati**

- Closed two colleges, moving funds and programs from the College of Evening and Continuing Education and University College to other collegiate units. The purpose of doing this was to create greater administrative efficiencies and to consolidate and better coordinate similar programs. In doing this, duplicative programs have been combined. This process has given receiving colleges the flexibility to reallocate funds for more strategic purposes. As a result, approximately \$13 million has been redistributed to three major receiving colleges. In time, weak or duplicative programs will be eliminated and overall administrative costs greatly reduced.