



Managing and Advancing Institutional Change

Session 5



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Agenda

11:30 AM - 12:00 PM	Check in and Get lunch
12:00 PM – 1:15 PM	Pathways Project work
1:15-2:00 pm	Opening activity
2:00-3:45 pm	Leading Finance Strategically to advance reform
3:45-4:00 pm	Break
4:00– 5:00 pm	Session continues
5:00 PM	Adjourn, dinner on your own

Pathways Project Team Time and Group Discussions



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Opening Activity



- Pick a card that depicts one of your goals for the coming year. Share this with the people at your table.

As you think about today:

- What is your experience with your college's budget and budget processes?
 - What do you know about them?
 - What questions do you have about them?
- What do you think it means for finance to be strategic?



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Recap: Session 4

Concepts From Session 4

Leadership Traits to Drive Change

- Understand the qualities transformational senior leaders utilize to foster reform at the college
- Understand the strategies that “middle” leaders can employ to effect change at the college
- Telling the data story
- Recognize the agency practitioners have at different levels of the organization



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Session 5 Goals & Objectives

Managing and Advancing Institutional Change

- Think strategically about how institutional finance can be used to advance change.
- Understand strategies to more effectively use limited institutional resources to advance reforms.
- Articulate strategies to build and manage effective teams to drive change.
- Apply strategies for leading and being a member of a strong team



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Series Overview: Part One

Articulating Student Success and Understanding the Student Perspective Through a Leadership Lens

Session 1: The Essential Roles of Leadership in Student Success

- Defining Student Success
- Higher Education in State Contexts

Session 2: Keeping Students' End Goals in Mind

- Improving Labor Market Outcomes
- Improving Transfer at Scale

Session 3: The Student Experience

- Improving Teaching and Learning
- Redesigning Advising to Better Support Students



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Series Overview: Part Two

Fostering Leadership Traits to Drive Reform and Advance Change Management Strategies for Student Success

Session 4: Leadership Traits to Drive Change

- Leading from the Middle
- Leadership Qualities for Senior Staff

Session 5: Managing and Advancing Institutional Change

- Using Finance Strategically to Advance Reforms
- Leading Internal Transformational Change

Session 6: Effective External Partnerships and the Leadership Journey

- Leading Highly Effective External Strategic Partnerships
- Reflecting on Your Personal Leadership Journey



Module 1: Leading Finance Strategically to Advance Reforms

Dr. Brent Wallace, Chancellor, North Central Texas College
Facilitator



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Session 5 Goals & Objectives

Learning Goals

- Think strategically about how institutional finance can be used to advance change
- Understand strategies to more effectively use limited institutional resources to advance reforms



Strategic Finance: Resource Acquisition and Alignment to Mission (Part 1)



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Strategic Finance

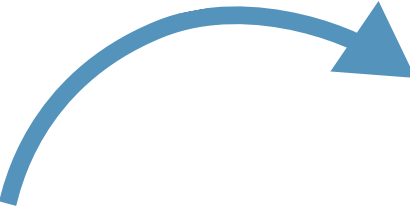


What makes strategic
finance strategic?

How does your college think about resourcing student success work?



How much does the college have? What can we do with it?



What are the critical gaps, opportunities, or unmet needs? How can we close those gaps or meet those needs? What resources are required to do that? How can we get those resources?

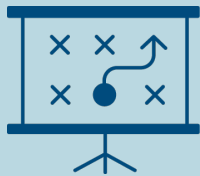


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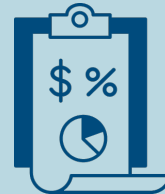


A Framework for Strategic Resource Acquisition and Mission Alignment

Finance as Culture



Disciplined Revenue and Expenditures



Finance Through Partnership

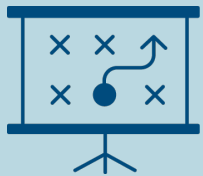


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A Framework for Strategic Resource Acquisition and Mission Alignment

Finance as Culture



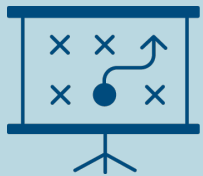
Key Principles

- Assets must be visibly and substantially aligned to high, improving, and equitable outcomes
- Transparency, broad fiscal capacity, and ownership are essential
- Strategic finance is about return on mission, not just on investment



A Framework for Strategic Resource Acquisition and Mission Alignment

Finance as Culture



Why is this so important now?

- Funding is uncertain
- Enrollment is a concern
- Value is being called into question
- Workforce needs—talent and diversity —are acute



Finance as Culture

What does this look like?

Traditionally...

CFO owns the budget.

President and CFO have access to the budget.

The CFO and president are trained in finance, and the finance staff stick to finance.

The budget is created and presented traditionally, designed to ensure balanced annual budgets and maximum reserves.

At colleges where finance drives student success-oriented cultures...

President owns the budget, with the CFO as partner.

All institutional stakeholders have easy access to the budget.

The entire senior team is trained in finance, and the finance staff are involved in student success work.

The budget is created and presented in ways that are visibly aligned to student success and equity priorities.



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Transparency: More Than a Buzzword

Why transparency matters:

- Makes clear that mission matters most
- Helps the college handle fiscal crises in a mission-oriented way
- Ensures that values are consistently communicated through budget and resource allocation processes

What transparency looks like:

- The budget is available for all to see, and significant efforts are made to increase fiscal knowledge and budget understanding
- Financial reports and overviews are straightforward and clear, including trends and functions—not just static numbers in traditional cost centers
- The budget process is clear and easy to understand

How can colleges signal student success as a goal in all financial reports and requests?

- Organize the budget—including overview slides—in such a way that student success metrics are clearly tied to the resource allocation process.
- Share analyses of the effectiveness of investments in disaggregated student success initiatives.
- Connect efforts to increase appropriations or local funding initiatives to student outcomes and community impact.
- Check if foundation and government grants are aligned with institutional priorities.



Turn and Talk



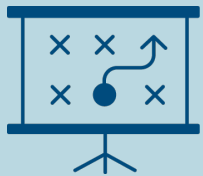
Turn to a partner and discuss:

- How would you describe the culture around finance at your college?
- Can you think of a time when a financial decision told a story about the college's priorities? What was the decision and what story did it tell?

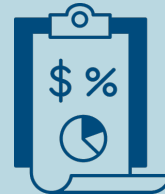


A Framework for Strategic Resource Acquisition and Mission Alignment

Finance as Culture



Disciplined Revenue and Expenditures



Finance Through Partnership

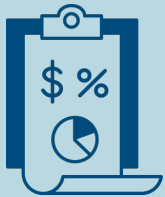


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A Framework for Strategic Resource Acquisition and Mission Alignment

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Break



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Stranded Assets: Where to Look?

Reallocate year-end balances



- Monitor expenditures and identify the sources of year-end fund balances on a recurring basis
- Devise a strategy to reallocate those funds to priority activities
- Ensure that incentive structure does not lead to unintended consequences

Stranded Assets: Where to Look?

Explore collaborative services

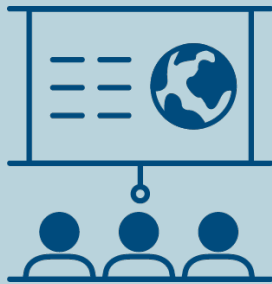


- Are there college functions that could be delivered more effectively or at a lower cost if efforts were combined with other institutions?
- Consider, for example:
 - Marketing materials
 - Online courses/programs
 - Information technology (hardware, software, website, and services)
 - Back-office operations that are not central to mission, such as accounts payable, accounts receivable, purchasing, and facility maintenance.



Stranded Assets: Where to Look?

Revamp the course schedule

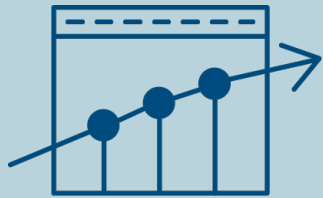


- Could it be more efficient and effective?
- Are costs and enrollment considered together?
- Does the central administration retain ultimate decision-making?
- Do scheduling decisions align with student success strategies?
- Are the impacts of current and proposed changes in course scheduling for different student populations routinely considered?



Stranded Assets: Where to Look?

**Spread systemic
reallocation over a
multi-year period**



- Create a budgeting process that reduces every department's budget by one percent annually.
- Visibly reallocate those resources to efforts related to the college's priorities for excellence and equity in student success.
- Over a five-year period, a significant reallocation of resources will occur, and everyone's attention will be on student success priorities.

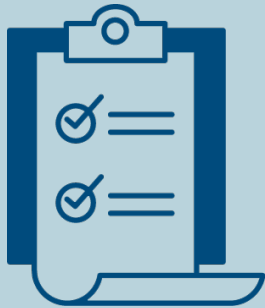


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Stranded Assets: Where to Look?

Examine the functional areas where you are currently spending



- Could those funds be used to advance student success more effectively?
 - Advising
 - Professional development
 - Faculty release time
 - Other

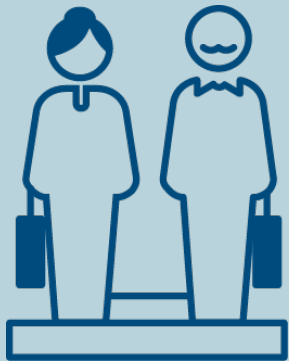


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Stranded Assets: Where to Look?

Consider “dark time” personnel budgets

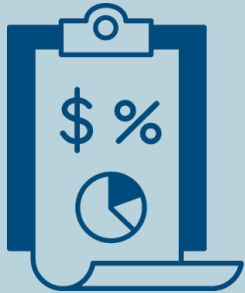


- Does the college budget personnel at 100 percent, even though some positions will be temporarily unfilled?
- How much does the typical unspent personnel line item amount to each year?
- What happens to unused personnel budgets at year's end?
- How could that money be budgeted differently at the beginning of the year to advance student success goals?



Stranded Assets: Where to Look?

Consider how your college manages its fund balances



- How often does your college review its fund balance policies?
- When these policies are devised, does the college consider the opportunity costs associated with different levels of reserved funding?
- What are the opportunities for leveraging fund balances to advance student success goals? What are the risks?



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New Areas for Revenue Growth

Do:

- Identify and nurture recurring, scalable revenue streams
- Use grants and one-time funds to jump-start or accelerate action on priorities
- Renegotiate contracts with vendors that yield higher savings or revenues for the college
- Probe and seek out specialized funding sources that are not tapped (example: federal funds for HSIs, HBCUs)
- Create “investment” or “venture funds” that partially cover new partners’ expenses (in return for a resource commitment downstream)



New Areas for Revenue Growth

Don't:

- Use grant resources as a source of salary and operating revenue for college priorities without specific plans for sustainability
- Go after a grant without knowing how the funded activity will be scaled and sustainably financed going forward if it is successful
- Pursue/approve many grants that are outside the college's priorities, which can separate innovators from mission



Return on Investment vs. Return on Mission

- What is the cost per student per semester vs. what is the cost per credential?
- How can you invest to ensure students complete bachelor's degrees in addition to associate degrees?
- What is the right investment to make in credentials that yield high value to students and the community vs. those that do not confer a family-sustaining wage?
- Is our focus on short-term ROI obscuring opportunities for longer-term investments that can be made to improve value that could improve ROI and ROM?



Strategic Finance: Stranded Assets Activity



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Strategic Finance – Stranded Assets Activity



Take 15 minutes to work through the stranded assets worksheet with your college teammate. If you do not have a college teammate work on your own and then share with a partner from another college.

- Think about both your college as a whole and your individual division
- Where might stranded assets exist, and how could they be reallocated?



Strategic Finance: Resource Acquisition and Alignment to Mission (Part 2)

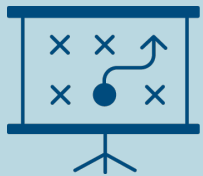


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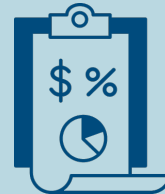


A Framework for Strategic Resource Acquisition and Mission Alignment

Finance as Culture



Disciplined Revenue and Expenditures



Finance Through Partnership



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A Framework for Strategic Resource Acquisition and Mission Alignment

Finance Through Partnership



Key Ideas:

- How can you increase the value of education for students?
- How can shared responsibility for mission lead partners to align their roles to unique strengths and assets?
- How can partnerships with other institutions or organizations in the ecosystem be engaged to attract additional resources to your student success mission?
- Where can you share costs and find efficiencies?



Identifying a Strong Partner Organization

- Is the organization's mission aligned with that of the college?
- Does the organization depend on revenues other than those the college historically depended on (to avoid competing for the same resources)?
- Is the organization high performing with strong leadership, demonstrated capacity and financial stability, and clear empirical outcomes relevant to a possible partnership?
- Does the organization help meet an unmet need for your college?

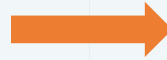


Ecosystem Partnerships

What does this look like?

Traditionally...

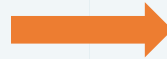
Resources that leaders pay most attention to are all in the budget.



Partnerships are handoffs.



The college seeks outside resources through fundraising, usually alone.



At colleges where finance through partnership is strategically aligned to student success...

Substantial resources to support the college's student success and equity goals are coming from—and going to—partners, sometime never appearing in the budget or the balance sheet.

Partnerships reflect co-ownership of specific student success and equity goals/metrics accompanied by significant resource commitment and allocation.

The college partners with K-12, employers, and others to acquire resources needed to meet student success and equity goals.



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Walk and Talk



Find a partner and discuss:

- How is the approach to partnerships described in this presentation different from or similar to approaches to partnerships you've seen?
- Is there an opportunity to apply this learning in your current role?



Module 1 Reflections



- What final questions or reflections do you have?
- What learning might you take back to your current role, based on this module?
- What might you share with others at your institution?



Thank you!



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