

## SPECIAL STUDIES—STRATEGY, POLICY, BUDGET, AND FINANCE

### INTRODUCTION TO PROJECT EXPERIENCE

While much of our work is in the design of planning processes and their facilitation, EKA occasionally is asked to provide more technical and analytical studies. These include extensive data collection, interviews, survey research, literature search, and complex analyses for high-level strategy, policy and budget, or finance decision-making.

Recently, EKA performed a study of how to acquire/build a more comprehensive public university in Shreveport-Bossier, Louisiana. The co-sponsors included three local community-based organizations and the Louisiana Board of Regents. This special strategic study defined the region's economic development strategies; defined unmet higher education needs in that context; and examined alternative models, ultimately recommending a merger of two public institutions in the area and other collaborations.

Another such notable study was for President Erskine Bowles, The University of North Carolina, in which EKA created the framework of higher education and economic development issues to answer the question: *What Do the People of North Carolina Need from their University for the Next Several Decades?* This EKA study, in 2006, was the foundation for the work of *The UNC Tomorrow Commission*.

In 1991, EKA was part of a team to provide a *Faculty Housing Master Plan* for The University of Hawai'i at Manoa. In 2009, EKA just completed a second, updated study on this same subject for UHM. In the just-completed study, the focus was on determination of potential demand for faculty housing in connection with critical faculty recruitment and retention needs of the University.



Examples of special strategy, policy, and financial studies follow.

**A COMPREHENSIVE PUBLIC UNIVERSITY FOR SHREVEPORT-BOSSIER (LA)**

SHREVEPORT-BOSSIER IMPERATIVE (FOR HIGHER EDUCATION), COMMITTEE OF 100, COMMUNITY FOUNDATION OF NORTH LOUISIANA, AND LOUISIANA BOARD OF REGENTS



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**Highlights:**

- Analysis of demographic and economic data for metro area
- Analysis of economic development strategies
- Assessment and definition of unmet higher education needs; models used elsewhere; and comprehensive analysis of pros and cons of alternatives for Shreveport-Bossier
- Work with “client” group that included business/community leadership organizations and the State’s Board of Regents

The above local organizations in Shreveport-Bossier have long been frustrated by lack of growth of their local senior public institution—LSU in Shreveport and have made many efforts over the years to support its growth of programs and enrollment. Following EKA’s various other higher education and economic development studies for Shreveport-Bossier and North Louisiana, these organizations asked EKA, on a sole source basis, to study a range of aggressive solutions to finally achieve a larger, more comprehensive institution for the region.

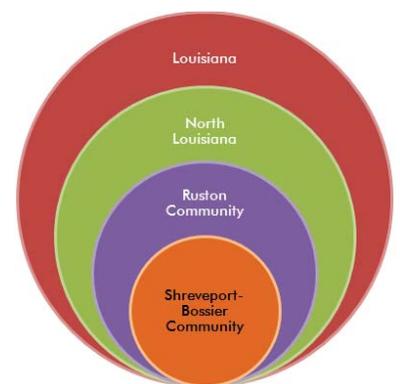
EKA’s scope of work began with organizing demographic, economic, and higher education data and summarizing economic development strategies currently pursued in the metro area/region. Then, EKA derived a new statement of “unmet higher education needs,” to precisely define the problems that require solutions. It was found that unmet needs were of three distinct types:

- Lack of many needed degree programs
- Underserved populations (minorities, place-bound adults) for four-year degrees
- Research and innovation capacity (scale)

A range of program models in use elsewhere were reviewed and options identified as:

- Growth in Place (of LSU-Shreveport)
- Program Collaborations
- Program Importation
- Merger (of LSU-Shreveport with Louisiana Tech University (70 miles away in Ruston, LA).

On the basis of an exhaustive analysis of advantages and disadvantages, EKA recommended consolidation/merger of Louisiana Tech and LSU-Shreveport. The LA Board of Regents adopted EKA’s recommendation. Two bills were introduced in the Louisiana legislature.



**Percent of Adult Population With Bachelor's Degrees or Higher**

|                        | Percent |
|------------------------|---------|
| 50 states and D.C.     | 27.8    |
| SREB states            | 25.5    |
| Louisiana              | 20.8    |
| Shreveport-Bossier MSA | 20.3    |

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**Highlights:**

Extensive, detailed study of Louisiana state budgets and higher education budget history/trends  
 Analysis of options for budget reductions; development of "Advocacy Agenda"  
 Work with "client" group that included business and community leadership organizations and the presidents and chancellors of seven public institutions.

**LOUISIANA HIGHER EDUCATION: A SIX-POINT ADVOCACY AGENDA**

COMMITTEE OF ONE HUNDRED OF SHREVEPORT-BOSSIER, THE COMMUNITY FOUNDATION, AND SEVEN PUBLIC HIGHER EDUCATION INSTITUTIONS IN NW LOUISIANA



In late summer 2010, Governor Jindal's administration announced that cuts to Louisiana's public higher education budget for the FY2012 fiscal year might be in the range of 32 to 25 percent.

The business and community leadership of the Shreveport-Bossier area, represented by the above organizations, wanted assistance in crafting a proactive response and a possible plan to:

- Help avert or mitigate the cuts
- Engage institutions in consideration of constructive productivity and cost reduction measures
- Create an "agenda" for advocacy with the Governor's Office and State Legislature.

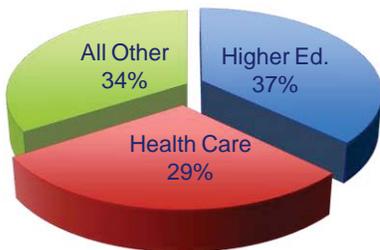
EKA was retained on a sole source basis, due to our prior relationships with these higher education institutions and with this community.

There were two phases of work. The initial phase was a one-day conference session, to determine if there was a sound basis for proceeding. The second phase was development of the *Advocacy Agenda*, which included meeting sessions with the institutions and community leaders, budget and program data collection and analysis, and crafting of the Agenda issues/content.

The outcomes were organized and developed into **Challenges** and **Solutions** in six main categories:

- **Assessment of the Challenges**
  - I—Competitiveness in the *Global Knowledge Economy*
  - II—Louisiana's Human Capital Performance
  - III—Statewide and Regional Perspectives
  - IV—The Current Fiscal Crisis and Views to the Future

- **Proposed Solutions**
  - V—Proposed Short-Term Alternatives (For FY2012)
  - VI—Proposed Longer-Term Solutions (Beyond FY2012)



State Funding Trends for 7 NW LA Institutions:  
 10-Year Average from FY2001 to FY2010 and Projected for FY2011 and FY2012



**FACULTY HOUSING DEVELOPMENT PROGRAM AND MASTER PLAN**

THE UNIVERSITY OF HAWAII'I



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**Highlights:**

Faculty Housing Policy and Demand  
Analysis  
  
E-Survey, Interviews, Statistical Analysis,  
Literature Search, Policy Analysis



**Faculty Housing Development Program, 2009**

In the next several years, the University of Hawaii'i at Manoa (UHM) expects to experience an unprecedented wave of faculty retirements and, consequently, an accelerated need for faculty recruitment. EKA was part of a study team that just completed a *Faculty Housing Development Program*, consisting of:

- Task 1—Strategic Assessment
- Task 2—Local Real Estate Market Analysis
- Task 3—Housing Demand Estimate
- Task 4—Preliminary Site and Cost Analysis
- Task 5—Faculty Housing Development Program
- Task 6—Final Deliverable

EKA conducted the Task 1—Strategic Assessment and the Task 3—Housing Demand Estimate. Demand was analyzed based on a combination of internal University data on age of faculty and retirement eligibility cohorts; an e-survey of all university faculty; a survey of deans; and interviews with academic administrators and faculty groups.

Findings were mildly surprising. The University had directed its consultants to assume that its only real target was new recruitment of full-time tenure-track faculty. On this basis, the projected demand for faculty housing (for university-owned rental units) was not as high as the University had expected. However, if one took into account those already employed (for retention) and the non-permanent hires that deans feel are important, a significant level of need was identified.

**University of Hawaii System Faculty Housing Master Plan, 1991**

Many years earlier, in 1991, as subcontractor to KPMG Peat Marwick (Honolulu), EKA produced parts of a *UHM Faculty Housing Master Plan*. This was a much broader study than the 2009 work—as it was for the UH System Office—covering all UH campuses. The plan that was developed outlined several strategies—construction, financing, and real estate development partnerships /tools—for increasing the supply of appropriate faculty housing, especially in Manoa.

Figure 12B: Distribution of 214 Tenure-Track Retirements and Departures Reported: 2003-2008

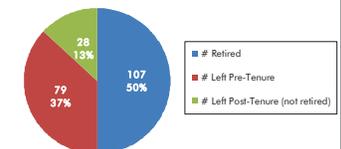
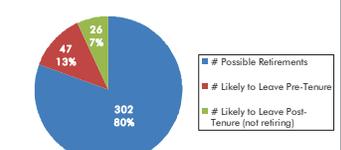


Figure 12C: Distribution of 375 Tenure-Track Retirements & Departures Expected: 2009-2013



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**Highlights:**

System-Wide Project (16 institutions)

Literature Review and Research on  
 Trends in Higher Education and  
 Economic Development—National and  
 International

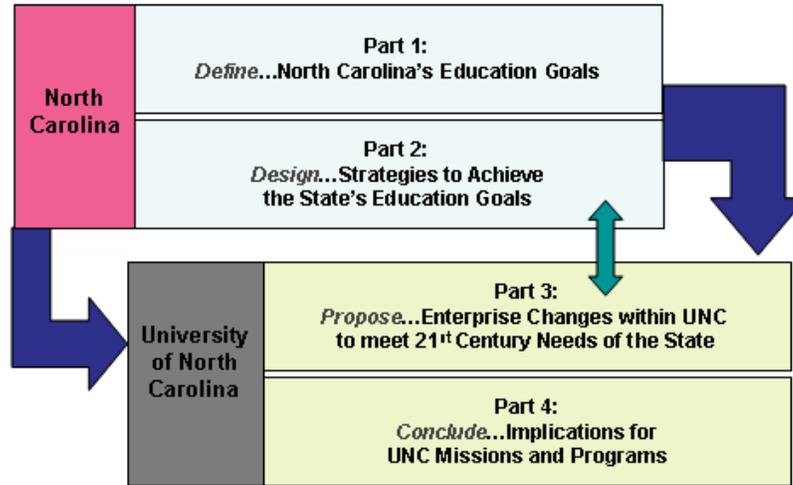
Interviews with Hundreds of  
 Stakeholders—Statewide

Creation of Scope for *UNC Tomorrow*  
 Commission/Study

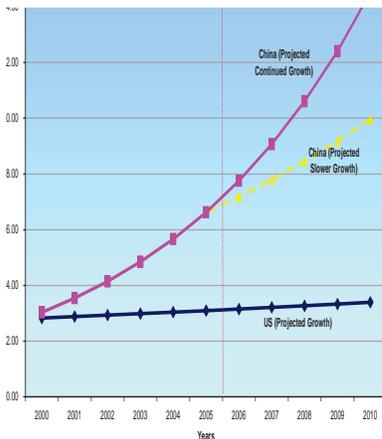
**HIGHER EDUCATION SYSTEM STRATEGY STUDY**

BOARD OF GOVERNORS, THE UNIVERSITY OF NORTH CAROLINA

What do the People of North Carolina need from their University, to be successful in the 21<sup>st</sup> century?



EKA / CREC / G&A, October 2006



In summer of 2006, shortly after assuming the presidency of The University of North Carolina, Erskine Bowles determined that he needed to consider the University's strategic responses to changing needs in the new economy. The University (system of 16 institutions) and the NC Community College System had just completed a legislatively-mandated study of program needs, but President Bowles felt that another look, with a slightly different approach, was needed.

As a result of EKA's many prior and successful studies for UNC and the NC General Assembly, President Bowles and Board of Governors Chairman Jim Phillips asked EKA to conduct "phase 1" of a study to answer the question: *What do the people of North Carolina need from their University for success in the 21st Century Global Knowledge Economy?* The idea was that Phase 1 would result in the design and content of a much larger study undertaking.

EKA designed and conducted Phase 1 in a period of a few months. More than 200 stakeholders in North Carolina were interviewed. The team conducted a comprehensive search of higher education, economic development policy, and workforce literature and prepared a three-volume report.

Following EKA's work, President Bowles appointed a blue-ribbon commission, *The University of North Carolina Tomorrow*, to undertake more detailed studies of state needs and UNC responses.

**STRATEGIC POLICY STUDIES—PUBLIC HIGHER EDUCATION SYSTEMS**  
**NORTH CAROLINA STATE GOVERNMENT PERFORMANCE AUDIT**

NORTH CAROLINA GENERAL ASSEMBLY

**Academic Program Planning: The University of North Carolina:** EKA reviewed UNC's academic program planning processes to determine whether they were effective in preventing unnecessary program proliferation, especially in professional and graduate programs. EKA reviewed processes for approving new academic programs and discontinuing existing programs; compared UNC's procedures with those of peer public systems; reviewed results of a recent strategic mission review; studied effects of outside political pressures on program proliferation; and reviewed use of graduate centers, cooperative degree programs, and distance learning technology as alternatives to adding new programs. Recommendations included a "one-time" review of all programs, to identify and eliminate programs with low productivity, of low priority, or excessively redundant and to reinvest resulting savings in strengthening existing programs and funding new, high-priority programs.

**Program and System Structure: North Carolina Community College System:** EKA reviewed the number, distribution, and size of community colleges; the State's funding formula; governance; and program planning and distribution to determine whether NCCCS was able to respond to immediate, local work force needs and future, statewide labor force needs. The study included a comparison of NCCCS to peer systems in other states. EKA developed recommendations to enable the State Board of Community Colleges to improve allocation of resources within NCCCS and to improve NCCCS' ability to meet the State's long-term work force needs.

**Tuition and Fees: The University of North Carolina and the North Carolina Community College System:** EKA conducted a study of tuition and fees at UNC and NCCCS. EKA reviewed the policy and process for setting tuition and fees; analyzed the effect of the constitutional provision regarding tuition levels on tuition policy; reviewed the effects of current tuition policies on federal financial aid; compared North Carolina's tuition-setting policies and practices with those of states with peer university and community college systems and with two sets of national survey data; reviewed literature regarding the relationship between tuition levels and the college-going rate; analyzed effects of recent increases in tuition on enrollment levels; compared tuition levels at UNC for undergraduate, graduate, and professional resident and nonresident students with levels at peer public university systems by university classification; and compared tuition levels at NCCCS for resident and nonresident students at peer systems. EKA developed tuition policy alternatives for North Carolina's two systems of higher education.

**Public Support to Students in Private Higher Education:** EKA conducted a study of state support to students enrolled in private higher education institutions. EKA reviewed the historical justifications for the aid, to determine whether they were still valid, compared North Carolina's programs to those of states with peer public university systems, and reviewed North Carolina's process for setting support levels. EKA recommended greater focus on need-based assistance and tying support of students in private higher education institutions to that for students attending the state universities.

**Continuum of Education Programs and Intersystem Governance:** EKA identified program gaps and overlaps among the State's three education systems—public schools, community colleges, and universities—and assessed how the current governance structures of the three systems and relationships between them hindered North Carolina's ability to address intersystem program issues. EKA developed a new intersystem governance model to address overlooked program issues without adding a large bureaucracy and without diminishing power of the three boards and system chief executive officers. Recommendations of this study led to adoption of the Governor's Education Cabinet, including CEOs of UNC, NCCCS, and the Department of Education.

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**Highlights:**

Series of Higher Education Policy Studies for the North Carolina General Assembly

Recommendations of All EKA's Studies Were Accepted by GPAC Commission and Most Were Enacted into Legislation by the General Assembly

**North Carolina's Government Performance Audit Commission**

These higher education studies were part of a larger initiative to restructure, enhance productivity, improve performance, reduce costs, or increase revenues for state government.

The Phase 2 studies resulted from EKA's *Phase 1 Strategic Review* in which the main opportunities for improvements were identified.



STRATEGIC ANALYSIS—MERGER CONCEPT

LSU IN SHREVEPORT AND LSU HEALTH SCIENCES CENTER IN SHREVEPORT

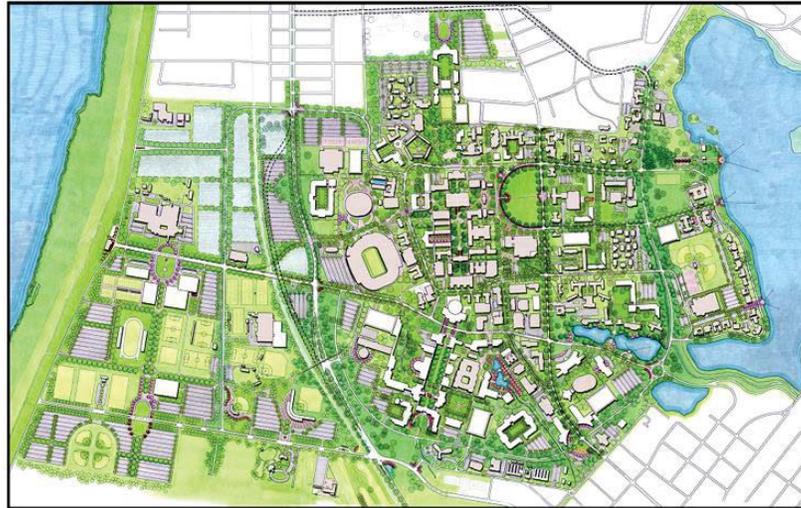
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Highlights:

Strategic and Policy Analysis—for Potential Merger

Extensive Research—Peer Data and Analyses of Impact of Possible Merger—political, enrollments, programs, funding, campus facilities, IT systems, alumni, etc.



Based on EKA’s work for LSU Health Sciences Center and other work on economic development strategy in NW Louisiana, EKA was engaged on a sole source basis to study the potential advantages and disadvantages of a merger of LSU Health Sciences Center and LSU in Shreveport.

The chancellors of these two institutions sought this study, as they shared concerns that the Shreveport metro area is underserved and LSU in Shreveport has had difficulties in gaining the resources required to institute new programs, particularly at the graduate level. Their question was whether or not a merger would provide a more appropriate base of resources for expansion of public higher education in Shreveport.

The possible benefit would be the creation of a larger, more comprehensive single public institution in Shreveport. Potential impact on programs, faculty, staff, enrollments, facilities, and finances were studied. The EKA team conducted interviews, reviewed institutional data for both institutions, developed a peer analysis, and prepared conclusions for the report. EKA’s analyses included qualitative and quantitative assessments of the potential impact of a merger on:

- Programs and program growth
- Faculty and staff
- Facilities and campuses
- Budget and finance.

**UBIQUITOUS COMPUTING INITIATIVE**

BRIGHAM YOUNG UNIVERSITY



EKA was engaged to assess the readiness of Brigham Young University for a ubiquitous computing initiative (and to provide a framework for it).

During campus interviews, EKA learned the unique aspects of a BYU education and evaluated the special learning environment, in order to develop a computing initiative that would represent the particular culture of this church-affiliated institution. Based on an evaluation of specially chosen peer institutions, EKA provided this client with information on institutional counterparts and how to stay on the cutting edge of technology with respect to peers.

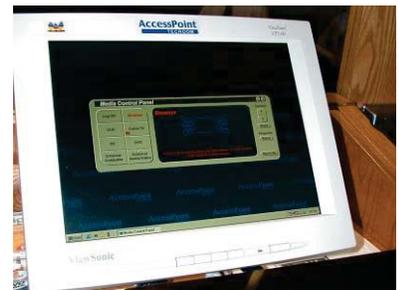
EKA’s report recommended a standardized platform for basic computing infrastructure for faculty and staff, and a basic computing platform for students, with related recommendations about how to prepare for the initiative.

**Client Contact Information:**

Client contact information no longer available

**Highlights:**

- Strategic Policy Study
- Evaluation of Technology Alternatives
- Complex Technology and Institutional Culture Issues



STRATEGIC IMPLEMENTATION PLAN  
WAKE COUNTY HIGH TECH ACADEMY

WAKE COUNTY ECONOMIC DEVELOPMENT COMMISSION, RALEIGH, NORTH CAROLINA

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Highlights:

Strategy and Detailed Plan for an “Alternative” High School to Target the Middle Students—Not Necessarily College-Bound

Conceived as an Economic Development / Workforce Development Project by Wake County Commissioners and Economic Development Commission

Extensive National Research on Models for Technology High Schools

EKA was engaged to develop the *Strategic Implementation Plan* for a “High Tech Academy” (high school) that the County’s Economic Development Commission wished to create. The initial concept was to create a secondary school that will meet two extremely significant objectives: to provide work force entrants with the high technology skills that regional industry increasingly needs and to create an attractive and dignified alternative for the non-college bound high school student, for whom traditional models of vocational education are not sufficient. A unique feature of the initial concept is to locate the High Tech Academy at the Centennial Campus of North Carolina State University, where it will be surrounded by and become an integral part of a growing rich mix of University programs, community college activity, private industry R&D, and adult work force training.

The EKA team worked with the High Tech Academy Committee (of the Economic Development Commission), the Wake County Public Schools, private industry leaders, NC State University, Wake Technical Community College, and community representatives to define the model for the Academy. One of the tasks was a national/international review of “best practices” of other school-to-work programs and career academies. The *Strategic Implementation Plan* addressed basic concept/structure, curriculum, target student population, school size, governance, financing, and other issues. The model EKA developed in the *Plan* is an aggressive experiment that will seek to eliminate the differences between “academic” and “career” tracks; to reformulate curriculum content; to emphasize experience-based learning; to provide for multiple delivery systems that include full-time and part-time programs, distance education and teacher education components; to create an elongated 12-month school year; and to operate with an independent governance model that will have dominant industry/business leadership participation.

The County Commissioners adopted EKA’s *Plan* and began organizing funding and fundraising for the next phase of implementation, including funding for the school facility and an initial Director/Dean. To our knowledge, this project never was completed due to objections from the local school district.



**COST ANALYSIS OF PUBLICLY SUPPORTED UNIVERSITIES AND COLLEGES**

INDEPENDENT COLLEGES AND UNIVERSITIES OF FLORIDA (ICUF)



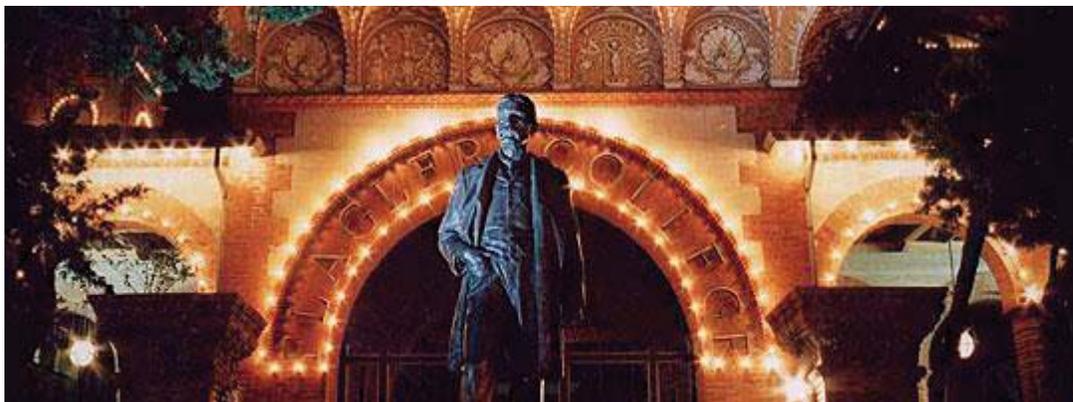
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**Highlights:**  
 Extensive and Detailed Operating and  
 Capital Budget Analyses

Ms. Klein analyzed the annual cost per full-time equivalent (FTE) student in Florida's public community colleges and universities. At the time, Florida provided \$900 a year in tuition vouchers to state residents attending private colleges in Florida. Legislation had been proposed to eliminate this subsidy which totaled \$9 million a year. ICUF, an association of 28 private colleges, sought to demonstrate that the \$900 a year was a cost-effective alternative to providing higher education services in state-owned institutions. Ms. Klein designed the methodology for and conducted the detailed analysis of extremely complex higher education budgets, including allocations of central overhead costs and of debt service on numerous bond issues, to arrive at an independent calculation of FTE costs for community colleges, senior institutions, and the Medical Center.

On the basis of this study, ICUF was able to argue its case successfully in the legislature and the tuition voucher program was preserved.



### STUDY OF STATE BUDGET REDUCTION ALTERNATIVES

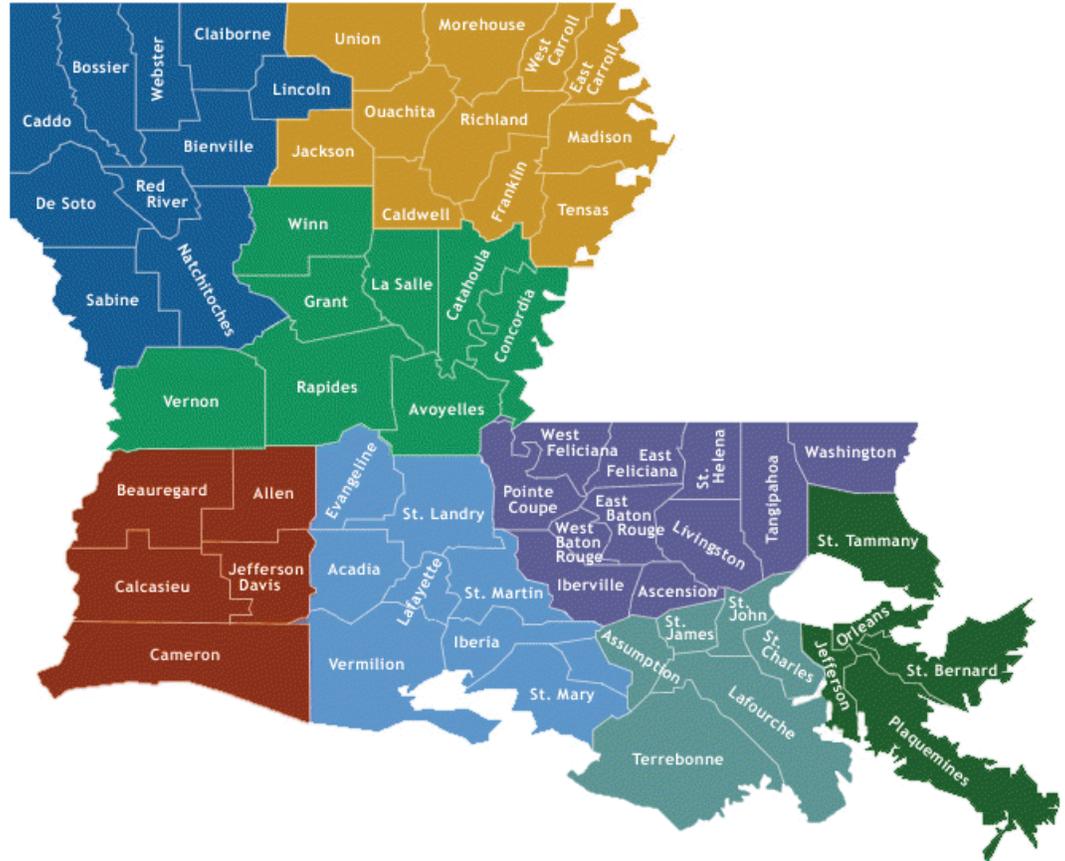
LOUISIANA ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES

**Client Contact Information:**  
No current contact information available.

**Highlights:**

Extensive and Detailed Operating and Capital Budget Analyses

Policy Analysis—State Level



At a time when the State of Louisiana was considering budget cuts that threatened existing support to private higher education, Ms. Klein managed a study to review the State's budget to develop a list of possible areas of reduction that LAICU could propose as alternatives to cutting higher education appropriations.

**POTENTIAL STRATEGIC ALLIANCE**

OREGON STATE UNIVERSITY AND OREGON GRADUATE INSTITUTE (OGI)

EKA was engaged to conduct stakeholder interviews and manage initial strategic dialogue about a potential formal alliance between these two institutions. OGI was a private research and graduate education institution, founded in the 1960s. It is our understanding that, in 2001, OGI was merged into the Oregon Health and Science University, becoming its School of Science and Engineering. Some former OGI computer science faculty and research centers moved to Portland State University.



**RESIDENTIAL HOUSING MANAGEMENT STUDY**

STATE UNIVERSITY OF NEW YORK AT STONY BROOK

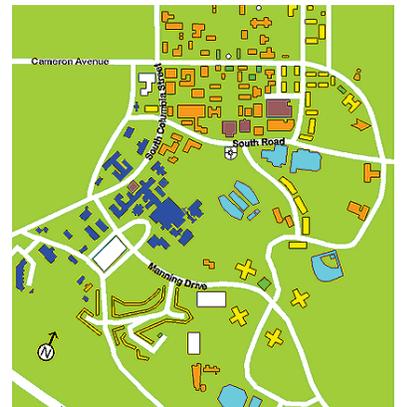
Ms. Klein managed a study to determine whether student housing should be managed by the University's Student Life Division or by its Office of Finance and Campus Operations. The University was experiencing major costs to maintain residence halls due to extensive accidental damage and deliberate vandalism. The major issues were whether housing management should be primarily facilities management-driven or student life-driven and, in either case, how would coordination be achieved with the other units of the University.



**BUSINESS EVALUATION OF COGENERATION PLANT**

UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

The University wanted to know whether it was better to continue operating its cogeneration plant or whether it would be better to sell the plant and purchase power from utility providers. This analysis, with a real estate valuation firm as subcontractor, examined energy costs, policy, resources—both within UNC and in the State. One set of issues related to the marketability of the asset. Another set of issues related to comparative energy costs and efficiency. Recommendations were developed, including recommendations for internal management of energy resources.



**FINANCIAL ANALYSIS FOR NEW YORK CITY BRANCH CAMPUS**

ECOLE FRANÇAISE DES ATTACHÉS DE PRESSE (EFAP)

For this Paris-based institution, which provides undergraduate and graduate degrees in public relations and communications at several sites in Europe, Ms. Klein analyzed the financial feasibility of opening a New York City branch. This included review of enrollment plans and projections, tuition rates, cost structure, and related aspects of *pro forma* operating statements to determine financial viability—for EFAP's application to New York State for license and accreditation.



**FINANCIAL ANALYSIS—ENDOWMENT REQUIREMENTS FOR MAJOR GIFT**

ROCKEFELLER UNIVERSITY

At KPMG, Ms. Klein conducted a detailed analysis of the endowment that would be required in order for the University to accept a major gift of Kykuit, the Rockefeller family estate.

**LOAN REPAYMENT MODEL, US DEPARTMENT OF EDUCATION**

VARIOUS COLLEGES AND UNIVERSITIES

In the mid-1980s, when the US D-Education announced its prepayment program for college housing loans prior to its loan sale program, Ms. Klein developed a computer model to support the decision of whether or not to prepay loans for Hawaii Loa College, Mater Dei, New England College, Oakland University, Providence College, Siena College, Susquehanna College, Thomas More College, University of Mary, Westminster College, Wheaton College, and Wittenberg University.