



BROWN

**FOR COMMUNITY REVIEW / FEEDBACK**

**Draft Report of the Ad Hoc Committee on  
Promoting Financial Health and Sustainability**

July 2021

**Submitted by the Ad Hoc Committee:**

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## I. Introduction

In Fall 2020, President Christina H. Paxson convened the Ad Hoc Committee on Promoting Financial Health and Sustainability, appointing Provost Richard M. Locke as chair and membership that included staff, faculty and students. President Paxson charged the committee with developing recommendations to promote the long-term financial health and sustainability of the University. More specifically, she emphasized the importance of identifying opportunities to eliminate the University's relatively small but persistent structural deficit so that the University would have the resources and flexibility to make strategic investments in academic excellence. At the outset, she emphasized that the intent of the committee was *not* budget-cutting in response to COVID-19. Rather, she wrote "...the committee will engage in the kind of long-range planning that is necessary if we are to reduce Brown's reliance on tuition and fees and ensure continued growth in the quality of our academic programs."

Following several months of work, including the formation of subgroups to engage in intensive work in several key areas of opportunity, the Ad Hoc Committee is proposing a range of options that would yield an estimated **\$26M to \$57M** annually over time once fully implemented, which includes approximately \$6M to \$7M in savings and \$20M to \$50M in new revenue that could be invested strategically.

With attention focused on offering recommendations that would support Brown's commitment to ongoing academic and operational excellence, the committee suggests that in addition to specific recommendations for savings and revenue enhancements proposed in this report, the University have a mechanism or process to ensure that it remains the most efficient and effective University possible over the long term. Doing so will ensure the capacity for ongoing strategic investments in academic excellence and to be an employer of choice for decades - if not generations - to come.

What follows is a summary of the context that informed the committee's work, the committee's charge, process by which the committee conducted its work - including guiding principles developed and followed, and soliciting input from the entire Brown community on draft proposals - and overall recommendations for consideration.

## II. Context

Brown University's mission to serve the community, the nation and the world through teaching, research and service requires ongoing strategic investments in academic excellence. This includes investing in recruitment and retention of the most talented and promising faculty, students and staff and offering an environment that supports exploration, inquiry and discovery across disciplines. Adequate funding is fundamental for supporting competitive financial aid, salaries, benefits and start-up funds, as well as critical infrastructure, modern classrooms, technology and equipment.

Through *Building on Distinction*, the University's strategic plan, *Pathways to Diversity and Inclusion*, and the *BrownTogether* fundraising campaign, the University has made critical advancements across many dimensions in recent years, strengthening the University both academically and financially. Yet more is required to ensure long-term flexibility, fiscal sustainability and overall impact. The University's small but persistent deficit, which has existed

for the past several years, limits our ability to invest in new areas of education and research at desired levels. These losses are distinct from the Covid-19 deficit expected to incur in FY21 and beyond, and as a result Brown must undertake the difficult work to structurally adjust the University's finances.

These investments are perhaps more essential than ever. The Covid-19 pandemic has underscored the vital importance of research universities, such as Brown, in addressing pressing societal issues – from public health crises and consequences of climate change, to persistent systemic racism and the need to address inequities and promote social mobility. As President Paxson noted in her letter creating the Ad Hoc Committee, this period “...also exposed economic vulnerabilities of institutions of higher education, many of which pre-dated the pandemic. These challenges include an over-reliance on undergraduate tuition and fees to support operations, a nationally shrinking pool of college-aged students, and slow growth in academic employment opportunities in some disciplines.”

At the same time, many institutions, including Brown, have responded to numerous challenges presented by the pandemic through rapid innovation, changing modes of instruction and transforming many aspects of university operations. Since March 2020, Brown has made substantial investments in technology, professional development and other resources to support academic innovation and transition to online teaching and learning. Administrators reconsidered workplace needs and adopted policies and practices to promote operational excellence and efficiency in the midst of the pandemic. While financial pressures have been substantial during this period, the University's endowment has continued to perform well given relatively strong market conditions – conditions that may be uncertain and more volatile in future years.

It is in this context that the committee approached its work -- inspired by the importance of the University's mission, and informed by lessons learned and investments made over the last year-- to find ways to convert Brown's structural deficit into a surplus to be used to make critical investments in the people and the infrastructure required to advance excellence. In doing so, the committee focused on increasing and diversifying revenue, and reducing the growth in expenses.

### **III. Committee Charge & Guidance**

The Ad Hoc Committee was given the following two-pronged charge and related guidance:

**(1) Increasing Revenue Growth:** Exploring options for Brown to leverage its assets in technology, teaching and research to generate additional revenue.

Make recommendations to increase revenues and reduce reliance on undergraduate tuition and fees, while preserving Brown's commitment to excellent in-person residential education. The committee will identify local, national and international areas of need that Brown could address through new educational and research programs that build on the University's distinctive strengths.

Areas for consideration may include but not be limited to:

- Expanded educational programs and programming for new communities of learners;
- Accelerating technology ventures and commercialization of research;
- Rethinking corporate and industry relations and partnerships.

(2) **Reducing expense growth:** Developing strategies for slowing the growth of University expenses through the adoption of new operational practices.

Make recommendations for operational changes that reduce growth in expenses without compromising Brown's academic mission or placing undue burden on staff, and which advance Brown's commitment to environmental sustainability. The committee will assess areas of the University's operations that can be conducted at lower cost.

Areas for consideration may include but not be limited to:

- Increased use of digital and remote technology to enhance operations and reduce costs, for example by reducing University travel and/or the use of printing and mailing;
- A greater use of shared services across administrative and academic departments.

#### **IV. Ad Hoc Committee Process / Principles / Workstreams**

With the exception of the Winter break, committee members met approximately weekly between November 2020 and April 2021. Fall 2020 was devoted to information gathering and educating members about relevant areas, such as the University's budget; educational programs recently launched or in development; research commercialization efforts and opportunities; and work being done to strengthen operational effectiveness and efficiencies, such as streamlining procurement processes and piloting shared services staffing models. The committee also focused early attention on developing the following principles to guide the committee's work:

##### **Guiding Principles**

**Mission & Values.** Promote the long-term financial health of the University in ways that support and strengthen Brown's academic mission across all divisions, schools, centers, departments and institutes. Develop plans that protect and advance the University's commitment to excellence in research, teaching and service, and to cultivating a diverse and inclusive community of students, staff and faculty.

**Equity & Solidarity.** Ensure that the University's overall financial well-being is a shared responsibility among faculty, staff, students, alumni and families. Recommendations must reflect the University's commitment to equity, ensuring that the most vulnerable populations are protected from any potential disproportionate impact.

**Access & Affordability.** Advance the University's commitment to excellence, opportunity and social mobility by attracting and supporting the most talented undergraduate, graduate and medical students to Brown, regardless of socioeconomic status. Ensure a Brown education is

accessible to students and families of all income levels.

**Environmental & Financial Sustainability.** Cultivate a culture of fiscal and environmental sustainability among faculty, staff and students; one that strives for continuous improvement, excellence, efficiency and environmental stewardship. Leverage the Ad Hoc Committee's work to raise awareness of best practices that may enhance savings, generate revenue, and promote more sustainable operations.

**Integrity & Transparency.** Develop data-driven creative solutions in a transparent, open manner to promote the University's long-term financial health. Engage and communicate frequently with the University community throughout this process.

### **Workstream subgroups**

With a shared understanding of the overall direction and scope of work and agreed-upon guiding principles, the committee formed subgroups that met during the Spring 2021 term to focus on the following discrete workstreams:

- 1) **Personnel** - Focus on opportunities to strengthen operational excellence and reduce personnel costs while also promoting career advancement, such as through a shared services model.
- 2) **Strategic Sourcing & Procurement** - Advance work recommended in the 2020 Strategic framework for the University to optimize and strengthen procurement, contracting, and travel operations and policies.
- 3) **Non-personnel** - Consider opportunities to adopt some of the cost-saving practices that emerged through Covid-19.
- 4) **New Revenue Streams** - Explore options for Brown to leverage assets in technology, teaching and research to generate additional revenue.
- 5) **Grow Undergraduate Student Body** - Consider options for growing the undergraduate student body that do not strain existing resources.

Many of the workstream subgroups engaged campus expertise outside of the Ad Hoc Committee members to conduct the work and develop options for Ad Hoc Committee review. For example, the new revenue and undergraduate student body subgroups led separate subcommittees, composed of students, faculty, and staff, during the spring to identify opportunities for growth and innovation.

In late spring 2021, the subgroups developed recommendations for the full committee's review and evaluation, and these were combined into a draft report. To solicit input and feedback on the committee's proposals from Brown students, faculty, and staff, this draft report was posted online during a two-week period in June 2021. During this time, a total of 88 individuals provided 340 responses to the draft report. These comments were shared with the committee, and each subgroup was invited to revise their recommendations based on community feedback as appropriate. The subgroups were also asked to include details on how they plan to

implement these recommendations during the 2021-22 academic year, as well as their plans for engaging the Brown community in this important work.

## **VI. Subgroup Recommendations**

### ***A. Personnel***

In fulfillment of its charge, this subgroup explored departmental staffing structures, transaction processes, alignment of skills and tasks, and available training and development opportunities in the context of the recent experience of on-site, remote, and hybrid operations throughout the pandemic, and lessons learned from shared services and systems integrations.

#### Recommendations

- Focus on improved services and increased opportunities for staff through piloting administrative support networks embedded in departments based on metrics and affiliations and expanding over time given experience.
- Create “centers of excellence” where departments engage a pool of shared staff skilled at a specific transaction (such as purchasing), which could expand over time to support multiple departments, and where staff benefit from their peer colleagues to incorporate best practices.
- Centralize operations and transactions in specific areas, such as cybersecurity, technology, and human resources.

#### Rationale

Brown has a total staff workforce of approximately 3,200 and seeks to be an employer of choice offering competitive salaries, benefits and a vibrant environment that invests in workforce and career development. Within this context, there are opportunities to strengthen organizational policies and practices that would benefit employees and the overall organization.

**Maximize Skills, Create Career Pathways, Promote Efficiency:** University departments vary regarding the number of staff positions, team composition, and personnel skills. Over time, many departments have maintained the same staff structure in terms of numbers and types of positions despite advancements of central systems, policies, and processes that may necessitate departmental change. In addition, many staff express concern over limited opportunities for career growth and upward mobility, especially in academic departments. Often, the only avenue for staff to advance is to apply to an opportunity in another department or gain new skills through lateral moves.

**Create Community:** In departments with very small numbers of staff, staff are required to be generalists, and may excel in some areas while finding other work requirements more challenging and/or less rewarding. Staff in these circumstances may also feel isolated. A shared services model would allow teams of staff to support several departments, with staff members focusing on specific functional aspects in which they excel, promoting overall efficiency and job satisfaction.

#### Financial Impact

It is estimated that **\$800K** in savings could be realized over each of the next two years as a result of these recommendations, and **\$400K** for two years following this.

### Community Impact

Over time, staff will have more and clearer career pathways, opportunities for professional development, and there will be fewer silos between departments. The University community will benefit from the highly skilled workforce more equitably and effectively.

### Implementation Plan

Central to the success of the personnel recommendations will be comprehensive and carefully executed communications. Over the fall, through engagement with departments, hosting faculty and staff forums, and administering surveys, feedback will be gathered to inform opportunities to pilot academic support networks and centers of excellence. It will be important to ensure the principles of career development, efficiency, and transparency, and to use data to inform decisions.

Since the University's hiring freeze was implemented in March 2020, University Human Resources (UHR) has been managing the review of all requests to fill vacancies and create new positions with senior leaders, a process that will be operationalized moving forward. This level of review has enabled strategic conversations across organizational areas to explore opportunities to improve services, create career pathways, and inform how work might be done differently. Further, as a result of the second phase of the Staff Voluntary Retirement Program, academic departments will have 18 vacancies by the end of 2021 (six retirements in October; and 12 in December). Seven of the 18 vacancies are academic department manager positions (Computer Science, Egyptology and Assyriology, English, History of Art and Architecture, Italian Studies, Political Science, and Portuguese and Brazilian Studies) which create opportunities to pilot new staffing structures.

In early June, meetings were held with the faculty chairs and academic department managers of French, German, Hispanic, Italian, Portuguese and Brazilian, and Slavic Studies to propose and solicit feedback on a reorganization of staff supporting these language departments. The reorganization creates career pathways, professional development opportunities, and efficiency through implementing one organizational structure to support all six departments. Moving forward, the plan is to pilot the reorganization, with staffing in place by January 2022. In addition, early conversations are underway on a similar pilot reorganization for Classics, Egyptology and Assyriology, the Program in Early Cultures, and the Joukowsky Institute for Archaeology and the Ancient World.

With regard to creating centers of excellence, this spring the Office of Information Technology began to implement the centralization of operations focused on server and endpoint management and cybersecurity for departments where there were opportunities as a result of vacancies. Working closely with department leaders, over time this work could result in an estimated consolidation of over 30 staff positions across 16 departments. Also, this spring, UHR worked with the Finance Division to transfer two human resources positions to the UHR Recruitment and Staffing Operations team, aligning the work and creating career pathways and professional development. Further, work is underway in Contracts and Strategic Sourcing to

create a center of excellence where departments engage with staff who are skilled at the purchasing and contracts processes for transactional assistance.

As pilot personnel recommendations are implemented, UHR will assist with defining necessary skill sets, reviewing and updating job descriptions, determining staff compensation adjustments, and advising on professional development opportunities, which will be critical to the success of academic support networks and centers of excellence. Finally, clear reporting structures for staff, cost-benefit analyses, and built-in processes for assessment and continual feedback will be essential so that the academic support network and centers of excellence models can, based on experience, expand over time.

### ***B. Strategic Sourcing and Purchasing***

This subgroup built on recent prior efforts in this area. Specifically, the University's Strategic Purchasing, Contracts & Insurance (SPCI) office had launched in January 2020 a project to complete a detailed assessment of and recommendations for procurement, contract management, and travel operations at Brown. The initial phase of this work, which engaged Huron Consulting, included interviews with more than 60 individuals from 15 Brown departments who are actively involved in purchasing goods and services as well as the review of supplier contract. We also analyzed FY 19 expenditure data for goods and services as part of this work.

#### Recommendations

- Strengthen the Strategic Purchasing, Contract and Insurance (SPCI) organization
- Implement eProcurement Technology Solution (*Jaggaer tool*)
- Expand strategic sourcing activities
- Update & enforce purchasing policies
- Optimize overall procurement processes
- *Establish University Travel Management Program. (See next Subgroup for detail)*

#### Rationale

**Opportunity:** In FY 19, Brown processed over 213,000 transactions (including purchase orders, non-PO invoices, Pcard, and expense reimbursements), spending more than \$580 million. Progress has been made in recent years to maximize the University's purchasing power and advance values in the process (such as buying locally, and/or with minority and women-owned businesses). SPCI has had success in strategic sourcing initiatives involving Facilities Management, Dining, CIS, and elsewhere, but the office has lacked an overarching strategic plan (due to lack of technology and resources). Applying sound strategic sourcing principals and purchasing technology will allow the University to capture savings in much of this spending and will allow faculty and staff to more easily purchase goods. Approximately \$150M in FY19 expenditures for goods and services has been identified for expanded strategic sourcing activities. *However, this opportunity is not meant to limit buying options for goods (especially research and lab equipment and technology) that are unique and necessary for critical research.*



**Mitigate Risk:** Current SPCI staffing levels and lack of policies are viewed as a risk in the University's efforts to meet workload demands, drive savings, and increase operational effectiveness. To expand strategic sourcing capabilities and realize University savings goals, an additional strategic sourcing category manager (see Sub-Group on Travel) and a future contract manager are recommended.

**Efficiency & Effectiveness:** Brown's lack of a modern Workday-integrated eProcurement marketplace solution costs both time and money. The recommended eProcurement technology solution is Jaggaer, which is a system used by more than 600 institutions, including the following peers: MIT, Harvard, Princeton, Yale, UPenn, NYU, Stanford, UChicago, Johns Hopkins, Emory, and Rice. The Jaggaer tool is crucial to realizing savings and makes it easier and more efficient for staff and faculty to purchase commonly used goods. The committee is in the final stages of implementing the eProcurement technology solution.

**Strengthen policies:** To be effective, procurement and contracting policies and procedures must be known, followed and enforced consistently across the University. Recommendations include required:

- Use of strategic suppliers where competitive pricing contracts have been negotiated for the purchase of commonly procured goods and services
- Engagement with Strategic Sourcing Office for negotiation of master service agreements and goods/service contracts over \$500,000.
- Competitive bids for all contracts for goods and services over \$25,000.
- Senior Officer Level approval for sole source justification (rather than competitive bidding), and if contract terms vary from acceptable University risk levels.

The committee will finalize draft policies during the fall semester and will engage Brown community stakeholders during this process.

**Invest in Success & Improve Transparency:** Success requires greater transparency and ease of access, such as improving the University's supplier registration process, better integration with Workday, changes to the contract management process, updating the website and creating a buying and payment guide. This will be an ongoing and collaborative process with feedback and input from university departments.

#### Financial Impact

Over time, annual operating savings of **\$1.4 million** are anticipated, based upon pre Covid-19 expenditures for goods and services.

#### Community Impact

Having clear and enforceable procurement policies and processes will ensure a more accessible, efficient and equitable overall user experience and offer more opportunities for the University to leverage its purchasing power to reflect and advance values, such as diversity and sustainability goals. The improved process will also be more economical for departments and the University.

### ***C. Non-personnel***

This subgroup considered opportunities to adopt cost-saving practices that emerged through Covid-19, such as rethinking travel policies and practices, and assessing non-critical University events and meetings (e.g., this is not intended to interfere with essential academic programming that is core to the University's mission). The following proposals are designed to be considered within the context of protecting and enhancing the University's teaching and research mission and are primarily focused on University business operations and activities supported through University operating funds.

#### Recommendations

- Solicit greater feedback from University stakeholders, update and communicate clear policies related to travel and events.
- Establish a University Travel Management Program. (*Joint recommendation with Strategic Sourcing subgroup.*)
- Encourage reduced levels of non-research related, grant funded University travel, where beneficial, targeting a reduction in University *business operations travel* to 30% - 40% of pre-pandemic levels.
- Reduce judiciously (1) number of in-person, non-critical events and (2) associated food and beverage budgets.

#### Rationale

**Enhanced Clarity, Efficiency & User Experience:** In FY19, Brown's total travel expenses -- excluding professional development, recruiting, relocation, and athletic team travel -- were approximately \$22M, yet the University lacks an overall travel management strategy. Travel booking and expense reimbursement are primarily self-directed, which is inefficient, labor intensive and often frustrating. Travel practices are decentralized, and while the University has a preferred travel agency vendor, it is not widely known. Establishing a best-in-class travel management program, with improved technology for ease of booking, reimbursements, etc., will enhance usability and traveler satisfaction, align with and support University policies and processes, and aid risk management. Such a program would also yield a potential benefit of approximately 4% of total travel, which after reducing travel costs (see below), and the associated implementation costs of approximately \$200K, would lead to an estimated savings of **\$550K annually**. These savings include vendor discounts; rebates from using a card program (versus individual expense reports); reduced travel fares due to access to greater price options; and reduced "leakage" on unused tickets.

Moving forward requires establishing an institutional owner and organizational home, new, dedicated staffing resources to support implementation and operations, including communications and training.

**Strategic Sustainability/Travel:** Prior to the pandemic, the University spent approximately \$10.7M on travel annually (on unrestricted funds, excluding start-up and research.) As a result of pandemic-imposed travel restrictions, travel expenses at Brown have been reduced 95% of the fiscal year to date through January 2021, as compared to the prior year. While it is both expected and necessary that travel will resume slowly over the next few years, it is also evident

that there have been benefits to conducting certain activities virtually, including those associated with fundraising, certain steps in the recruitment process (faculty, staff, and graduate student), admissions, and professional development. Where virtual options have proven effective, they represent an important opportunity to capture time and cost savings going forward, while also supporting Brown’s Sustainability Strategic Plan (where faculty, staff and student travel are classified as a Scope 3 emission, and the University has committed to “exploring ways to reduce this travel.”) While remaining mindful of the purpose, goals, audience and occasion of the University's travel, the committee recommends targeting a reduction in University business operations travel to approximately 30% of pre-pandemic levels, which would represent **\$3.2M** in annual savings.

**Events & Catering:** Vibrant programming – and particularly academic programming -- is an essential aspect of the campus community central to the University’s very mission. Universities generally – and Brown in particular – hosts many other types of meetings and events over the course of a year, from holiday parties to large in-person meetings. The last year has demonstrated the value of conducting *some* meetings and events virtually, expanding reach and participation. Moving forward, we recommend that individuals planning such events consider whether hosting the event or meeting virtually is a viable and/or beneficial option.

Further, as the University community ramps up in-person activities, we recommend a more judicious approach when planning these events, including careful consideration of catering needs. With overall event goals guiding planning, there may be opportunities to have a diversity of remote and in-person events, and for ensuring that catering charged to University funds should always be provided in ways that are appropriate to the overall goals, audience and occasion. The University spends approximately \$4.6M annually on catering (on University operating funds) with about 65% of that activity through Brown Dining, and the remaining through external options. A 30% reduction would represent **\$1.4M** in annual savings.

#### Financial Impact

Taken together, these recommendations could yield an overall annual savings of approximately **\$5.15M**.

#### Community Impact

Reducing non-essential travel and opting for engaging virtual tools will be beneficial for many faculty and staff, freeing time for other aspects of University life, and contributing to efforts to be a more environmentally sustainable campus. Likewise, being more thoughtful about meetings and events will promote access, reduce travel time on and around campus, and ensure resources are allocated strategically to enhance the quality of critical in-person events. The committee acknowledges that a reduction in catering could have an impact on Dining Services, which will need to be proactively addressed in the implementation so as not to have unintended adverse effects on Dining Services.

#### Implementation Plan

- August – September: Update travel policies

- September – December: Travel Management Program peer discussions / due diligence, to determine optimal organizational placement and resources
- January - March: Develop staffing and resource plans for FY23 budget, including RFP process, as applicable

The non-personnel subgroup proposes both near-term and longer-term actions to implement the group’s recommendations. In the near-term, we propose updating and communicating the university’s policies related to travel and events. With the University community returning to on-site work in Fall 2021, this represents a good opportunity to update the university’s policies on virtual programming, meetings and events.

To explore and operationalize the recommendation to establish a university travel management program, the subgroup recommends leveraging the Boston Consortium between September and December to discuss peer best practices regarding travel management. Diligence will include gathering information about optimal organizational placement and resources needed for success. As noted in the Ad Hoc report, “moving forward requires establishing an institutional owner and organizational home, new, dedicated staffing resources to support implementation and operations, including communications and training.” Based on peer feedback, we propose convening a group of senior officers including EVP, Provost, CFO, HR, Vice President of Real Estate & Strategic Initiatives to review findings. We aim to have the institutional owner identified before the end of the Fall 2021 semester, to enable staffing and resource plans to be developed and included in the FY23 budget cycle (January – March 2022).

#### ***D. Diversifying Revenue***

This subgroup explored opportunities for revenue growth in two broad categories of activities that are core to the mission of world-class universities. First, we considered the expansion of teaching and learning in programs outside of undergraduate and doctoral programs that take place on campus during a traditional academic year. Such programs expand the opportunities available to students in existing programs by providing coursework in the winter and summer, giving them the flexibility to pursue study abroad or internships during the academic year and by providing online options for students who cannot come to campus. Such programs also expand the impact of Brown’s professional schools, through direct education of the workforce in engineering, public health, and health care. Second, we focused on the expansion of the impact of our knowledge creation through the commercialization of research discoveries made by faculty, students, and staff at Brown.

The subgroup carefully considered the human and other resources that will be needed to implement the recommendations developed. As we move forward into the implementation phase, we will further develop an investment plan to build staff capacity in key areas like digital learning and design, admissions and recruitment, program administration, technology transfer, and to build instructional faculty in growing degree and non-degree programs. These investments will also need to be complemented by growth in central services like health services, registrar, OISSS, the College, and the Graduate School as the total number of course offerings and student body increase.

## Recommendations

- Grow non-traditional academic program enrollments and offerings strategically to increase Brown's reach and impact by:
  - o Increasing credit-bearing undergraduate courses offered in Summer & Winter Sessions.
  - o Increasing the annual number of entering early career masters students in E&G programs by 30-50%.
  - o Increasing enrollments in Executive Masters programs by 75%.
  - o Launching fully online masters degree programs in areas of high capacity and high demand.
  - o Expanding pre-college programs, primarily through increasing online enrollments.
  - o Expanding non-degree executive education offerings.
- Expanding research commercialization by "priming the pump" for new industry partnerships and royalty-paying startups and licenses to increase disclosures, agreements and entrepreneurial activity by:
  - o Creating an innovation fund for physical sciences (modeled on Brown Biomedical Innovations to Impact fund).
  - o Developing a database of current faculty research areas.
  - o Launching a campaign to highlight activities and links between technology commercialization and Brown values.

## Rationale

**Leveraging Excellence to Expand Access, Reach & Impact:** Brown's impact in the world is multiplied by the growth of professional education, training early- and mid-career learners in both professional skills and the breadth and independence of thought characteristic of a Brown education. The rapid growth in the size and quality of Brown's professional schools (Engineering, Public Health, Alpert Medical School, Professional Studies), and the strong connections between these and other academic units and industry partners, positions Brown to expand both early- and mid-career professional master's programs. Investments in the last two years in the School of Professional Studies have already expanded capacity in marketing and recruitment, and in student support for master's students. Restructuring in the School of Professional Studies has also improved the quality of mid-career professional master's programs by deepening partnerships with other professional schools for curricular oversight and program development.

Further, online education for adults is ubiquitous among the highest quality institutions of higher education. Brown's expansion into this area builds on the consolidation of online instructional support within the Sheridan Center for Teaching and Learning and provides access to a Brown education to a globally diverse body of learners, allowing them to combine enrollment with work, family care, or simply staying in their home community. A focused expansion of executive education in areas of Brown strength will thus multiply Brown's impact, and online education in this space allows us to reach learners throughout their professional careers to ensure that they have the skills to manage and lead in a rapidly evolving workforce.

Brown's pre-college programs are among the most well-regarded in the country. Further growth on campus is limited by available dorm and classroom space, and competes with the growth of summer courses for undergraduates. Online growth provides an opportunity to further expand Brown's offerings for high school students across the US and internationally.

Finally, adding courses in the summer and winter, taught by Brown faculty and serving primarily Brown students, creates flexibility and opportunities for innovation for students and faculty. It further serves to release some pressure on enrollments in fall and spring terms.

**Research:** Brown's research portfolio has increased substantially in recent years, with expenditures reaching \$204M in FY20. Commercialization is encouraged by government sponsors and is central to the University's mission of providing societal impact through research and discovery and disseminating knowledge. By fostering a culture of research innovation across disciplinary areas and eliminating barriers to research commercialization, Brown could make important advancements, which would align with many peer institutions, many of whom already have established and robust technology commercialization programs. Further, while additional investment will be needed over time, the basic foundation/infrastructure exists for advancing this work: the mission of [Brown Technology Innovations](#) is to put Brown University's technology first to drive commercial outcomes that benefit the University and society. With its responsibilities to manage the University's patent portfolio, Brown Technology Innovations is first and foremost focused on commercialization.

#### Financial Impact

**Programs:** The total estimated revenue growth from the expansion of enrollments and programs could range from **\$14M to \$23M**. *(Note: To support the growth of these programs, a portion of this net revenue growth will need to support growth in shared services units on campus, including health services, registrar, OISSS, the College, and others.)*

**Research:** Recommendations around research commercialization center on two areas: industry sponsored research agreements and technology commercialization. The products of these two areas (faculty research projects, inventions) vary widely making it difficult to project future revenues from them.

#### Community Impact

Moving forward with these recommendations will require investments in faculty, departmental staff, and central university infrastructure.

The Brown community is enhanced by reaching a broader and more diverse community of learners, and academic innovation could lead to more online options for all students.

Successful commercialization of research will advance the overall profile and impact of research at Brown, potentially benefiting faculty, staff and student recruitment and retention, and lead to local economic benefits in Providence and RI.

## Implementation Plan

The table below summarizes the implementation plan for each of the goals identified above, including a proposed timeline for rollout and progress to date.

<b>Recommendation</b>	<b># Target</b>	<b>Base Year</b>	<b>Target Year</b>	<b>Progress to Date</b>
Increasing credit-bearing undergraduate courses offered in Summer & Winter Sessions.	Increase winter enrollments to 300 and summer enrollments to 800-1000	2018-2020	2023	Online Brown student enrollments: 2019: 300, 2020: >800
Increasing the annual number of entering early career master's students in E&G programs.	30-50%	2017-2019 average	2022	Achieved 2021
Increasing enrollments in Executive Masters programs.	75%	2017-2019 average	2022	60% by 2021
Launching fully online master's degree programs in areas of high capacity and high demand.	2 programs	N/A	2022	1 by 2021
Expanding pre-college programs, primarily through increasing online enrollments.		2019	2024	Online enrollments: Summer 2019: 300; Summer 2020: 3200; Summer 2021: 3700
Expanding non-degree executive education offerings.	10 programs	N/A	2022	5 by 2021

### ***E. Marginal Growth of the Undergraduate Student Body***

This subgroup focused on considering options for growing the undergraduate student body that would not strain existing resources, including student support services and academic and campus life infrastructure.

#### Recommendation

- Grow undergraduate population by 5-10% through careful enrollment management and increased participation in study away/experiential learning opportunities.

### Rationale

One of Brown's leading strengths is undergraduate education, and expanding the number of students who have access to a Brown education increases Brown's reach and opportunity for impact in the world. Further, applications for admission are exceptionally strong, and given the very large number of overwhelmingly talented students who apply, increasing by a relatively small percentage the number of undergraduate students admitted would not affect the overall quality of admitted students.

According to the survey conducted of undergraduate students admitted to Brown, 46% indicate a likelihood of studying abroad as part of their education, while 32% actually do; and 93% indicate a likelihood of volunteering or engaging in service in US or abroad, while approximately 60% actually do. (*Sources: CIRP & COFHE surveys*)

Through a more strategic application of enrollment management tools we can grow the student body to offset the 6% of undergraduates who currently opt to study abroad or engage in other experiential opportunities away from campus. Through this work, the University can accommodate modest enrollment growth without straining other University resources, or affecting the overall sense of community that is central to Brown.

Further, instructional technology and online courses and other offerings provide the opportunity for students studying, interning or volunteering away from campus to remain connected, which may enhance interest in taking advantage of these opportunities during their time at Brown.

### Financial Impact

It is estimated that over time the University could increase revenue net of financial aid by **\$13M to \$27M** annually.

### Community Impact

Carefully growing the undergraduate student body could contribute to efforts to cultivate diversity across many dimensions. Increased revenue could be invested to strengthen study away programs and experiences, including enhancing online linkages to campus for students during their time away.

### Implementation Plan

During the fall semester, the Education Innovation committee, chaired by Provost Locke, and composed of students, faculty, and staff from across the University, will focus on the following activities:

- 1) Designing pilot programs to increase undergraduate student participation in experiential education. To support this work, the University recently hired a dean for experiential education who will work with colleagues in Global Engagement, the Swearer Center,



CareerLab, and the Dean of the College to promote participation in study away programs, particularly among STEM students and students from historically underrepresented groups.

- 2) Enhancing long-term enrollment management and planning to more effectively manage the inflow and outflow of undergraduate students who are in residence each semester. Through this work, the University will improve tracking of on-campus vacancies so that it can increase enrollments of new undergraduate students without straining university resources, like residential life and student advising. To support this work, the Office of the Provost hired an Associate Provost for Strategy who will begin revamping the enrollment management process this fall, in partnership with colleagues in Campus Life, Admissions and Financial Aid, among other offices.
- 3) Increase online course offerings and investing in technology and staffing infrastructure to support this work. The Technology Infrastructure Working Group, which is a subcommittee of the Education Innovation Committee, and composed of faculty, staff, and students, is leading a long-term planning effort to ensure that the University has the technology and personnel resources to support our ambitions to increase online education at Brown. As part of this work, we are working with departments to develop a growth plan for online course offerings to ensure that students who participate in off-campus experiential education opportunities will have access to a robust set of online course offerings that will allow them to stay on track for concentration and graduation requirements. This work involves careful planning in partnership with the Sheridan Center for Teaching and Learning, and the Digital Learning and Design team, as well as with the Academic Innovation Unit.

## **VII. Conclusion**

The Ad Hoc Committee viewed and pursued its charge as an opportunity to advance University values and agreed upon principles. The recommendations meet the objective of translating the University's relatively small but stubborn structural budget shortfall into a surplus to be invested in overall strategic growth – and do so in cross-cutting ways that reinforce other priorities, such as contributing to the University's commitment to environmental sustainability, and investing in people and systems to propel Brown forward as a highly effective and efficient institution that values each and every member of the community. The proposals undergird ongoing innovation, reinforce shared responsibility, and draw on Brown's strengths to expand access and societal impact. If implemented, these recommendations would not only promote financial sustainability, they will position the University to achieve even greater levels of academic excellence in fulfillment of its core mission.

## **APPENDICES**

- Summary of recommendations
- President Paxson's original letter
- Community input on the draft report

## Summary of Ad Hoc Committee Recommendations

### Personnel

- Pilot administrative support networks in departments based on metrics and affiliations
- Create “centers of excellence” where departments engage a pool of shared staff who are skilled at a specific transaction (such as purchasing).
- Expand support network model over time based on experience

### Strategic Sourcing & Purchasing

- Strengthen the Strategic Purchasing, Contract and Insurance (SPCI) organization
- Implement eProcurement Technology Solution
- Expand strategic sourcing activities
- Update & enforce purchasing policies (e.g., Require negotiation of master service agreements and goods/service contracts over \$500,000
- Optimize overall procurement processes
- *Establish University Travel Management Program (See next Subgroup for detail)*

### Non-personnel

- Establish a University Travel Management Program (*Joint recommendation with Strategic Sourcing subgroup*)
- Incentivize reduced levels of University travel, where beneficial
- Reduce (1) number of in-person, non-critical events and (2) associated food and beverage budgets
- Develop and communicate clear policies related to travel and events

### Diversifying Revenue

- Grow non-traditional academic program enrollments and offerings strategically to increase Brown’s reach and impact:
  - o Increase credit-bearing undergraduate courses offered in Summer & Winter Sessions.
  - o Increase the annual number of entering early career master’s students in E&G programs 30-50%.
  - o Increase enrollments in Executive Masters programs 75%.
  - o Launch fully online master’s degree programs in areas of high capacity and high demand.
  - o Expand pre-college programs, primarily through increasing online enrollments.
  - o Expand non-degree executive education offerings.
- Expand research commercialization by “priming the pump” for new industry SRAs and royalty-paying startups and licenses to increase disclosures, agreements and startups by:
  - o Creating an innovation fund for physical sciences (modeled on Brown Biomedical Innovations to Impact fund).
  - o Developing a database of current faculty research areas.
  - o Highlighting activities and links between technology commercialization and Brown values.

### Undergraduate student body growth

- Grow undergraduate population by 5-10% through careful enrollment management and increased participation in study away/experiential learning opportunities.

## **Ad Hoc Committee on Promoting Financial Health and Sustainability**

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Thursday, October 29, 2020

Dear Members of the Brown Community,

The events of the last six months – a global pandemic, increasing evidence of climate change, ripple effects of persistent systemic racism and political divisiveness – have demonstrated that the work of research universities such as Brown is more important than ever. At the same time, these events have exposed the economic vulnerabilities of institutions of higher education, many of which pre-dated the pandemic. These challenges include an over-reliance on undergraduate tuition and fees to support operations, a nationally shrinking pool of college-aged students, and slow growth in academic employment opportunities in some disciplines.

However, the events of the past six months have also taught us that Brown is capable of rapid innovation and change in how we educate and operate. This year provides an opportune moment to consider how we can harness what we have learned during the pandemic, so that Brown can emerge as a stronger university and community. A central component of gaining academic strength requires eliminating Brown's small but persistent structural deficit. This structural deficit is separate from the deficit caused by COVID-19, which Brown has already taken steps to address. In addition to eliminating the structural deficit, we must identify new resources that can be invested in core academic infrastructure such as laboratories and libraries, and improvements in other campus facilities such as classrooms and residence halls. Although Brown has become academically and financially stronger in recent years, thanks to excellent endowment performance and fundraising, the structural deficit has impeded the University's ability to make investments in current and new areas of education and research.

I am charging an ad hoc committee to develop recommendations to promote the long-term financial health and sustainability of the University, with the specific goal of eliminating the structural deficit and identifying ways to enhance our ability to make strategic investments. The committee, led by Provost Richard M. Locke, will have a two-pronged charge: (1) to explore options for Brown to leverage our assets in technology, teaching and research to generate additional revenue; and (2) develop strategies for slowing the growth of our expenses through the adoption of new operational practices.

I want to stress that this is *not* an exercise in budget-cutting in response to COVID-19. Rather, the committee will engage in the kind of long-range planning that is necessary if we are to reduce Brown's reliance on tuition and fees and ensure continued growth in the quality of our academic programs.

I want to thank the following members of our community for agreeing to serve on this committee:

- Anna Aizer, Professor of Economics, Chair of Economics
- Amanda Anderson, Andrew W. Mellon Professor of Humanities and English, Director of the Cogut Institute for the Humanities
- Ugur Cetintemel, Professor of Computer Science, Chair of Computer Science
- Diane Lipscombe, Professor of Neuroscience, Thomas J. Watson Sr. Professor of Science, Director of the Carney Institute for Brain Science
- Ira Wilson, Professor of Health Services, Policy and Practice, Professor of Medicine, Chair of Health Services, Policy and Practice
- Jordan Kei-Rahn, Undergraduate Student
- Akilesh Ramana, Undergraduate Student
- Amanda Kazden, Graduate Student
- Ella Kirsh, Graduate Student
- Amber Jackson, Manager, Athletics Travel in the Department of Athletics and Recreation
- Matthew Salvatore, Director of Data Analytics and Strategic Marketing in the Division of Advancement

In addition, the following administrators will join the committee:

- Barbara Chernow, Executive Vice President for Finance and Administration
- Timothy Fater, Assistant Vice President for Financial Strategy and Planning
- Adrienne Marcus, Dean for Pre-College and Summer Undergraduate Program
- Shankar Prasad, Deputy Provost and Vice President for Academic Innovation
- William Thirsk, Chief Digital Officer and Chief Information Officer
- Leah Vanwey, Dean of the School for Professional Studies
- Neil Veloso, Executive Director of Industrial Engagement & Corporate Ventures
- Michael White, Vice President for Finance and Chief Financial Officer

The committee will be staffed by Chief of Staff to the Provost Marisa Quinn and will make recommendations to me no later than March 1, 2021.

One aspect of the committee's work will be to engage the Brown community in generating innovative ideas for improving the University's financial health. I encourage your involvement and thank you in advance for your assistance. I have no doubt that these efforts will contribute to making Brown a more resilient university and community.

Sincerely,

Christina H. Paxson  
President

