Huron’s Understanding of Your Needs

Huron understands that the Oregon University System (OUS) comprises seven public universities, enrolls over 100,000 students, and has a biennial budget in excess of $5.5 billion. Huron also understands that the Oregon legislature has recently passed a series of higher education reforms, which among other things, created a more flexible, decentralized governance structure. It is our understanding that the reforms will allow the System’s three largest public universities\(^1\) to have their own institutional governing boards, while the System’s four technical and regional universities\(^2\) will continue to be governed by the State Board of Higher Education.

Huron understands that the State Board and a number of legislative work groups are studying the future governance of the technical and regional institutions, and that each campus has been asked to develop a 5-year financial forecast and business plan to support these ongoing studies. With that in mind, we understand that OUS is seeking a consulting partner to review those plans, assessing their adequacy and reasonableness.

Huron has considerable experience conducting similar assessments, most recently with the University System of New Hampshire, the Georgia Institute of Technology and the University of California, San Francisco, and we would welcome the opportunity to partner with OUS.

Options for Consideration

Huron recognizes OUS’ desire to have the independent assessments completed by the State Board’s January 15\(^{th}\) meeting; however, we believe the limited led-time associated with OUS’ request inhibits our ability to perform a thorough and responsible review prior to that date. Should OUS consider dedicated more time to this initiative, Huron recommends the System consider the depth of the review by considering the following options:

- **Option A: High-level Review** – This review would consist of an off-site review of each of the institution’s financial model and business plan. As part of the review, Huron would review historical data and use our higher education industry perspective to identify components of the forecasts which appear overly conservative or aggressive. We would conduct a selection of telephone interviews with campus stakeholders to evaluate the rationales used to justify projections and we would share observations and concerns with the State Board. It is notable that the time associated with this review would limit collaboration efforts and our ability to understand the unique operating characteristics of the in-scope institutions. This level of review would like require $25,000 - $35,000 in professional fees per institution.

- **Option B: Collaborative Assessment** – This assessment would allow for a more in-depth review of each institution’s financial forecast and business plan, including site-visits and stakeholder interviews. Huron’s experience indicates that the site-visits and stakeholder interviews allow for a more collaborative assessment, in which we would review historical data, assess plans in light of each institution’s strengths and strategic plan, and incorporate industry data (peers, demographics, etc.) as part of our assessment. This option would also allow time for Huron to work with each institution to review the forecast assumptions and elements which were deemed unsupported, revising them as necessary. The customization of this option makes it much more comprehensive than Option A; however, the assessment would focus on the reasonableness of each institution’s planned initiatives and their accompanying forecasts. This option would not give guidance on the institution’s ability to

\(^1\) Oregon State University, Portland State University, and University of Oregon

\(^2\) Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University, and Western Oregon University
execute the planned initiatives. Huron anticipates that this level of assessment would require a total system investment of $250,000 - $300,000 in professional fees.

- **Option C: Feasibility Study** – Expanding on Option B, this review would focus on collaborative efforts at each institution, reviewing the institutions’ strengths and weaknesses, as well as the institutions’ strategic plans, operating initiatives and financial forecasts. In addition to these efforts, Huron would also work with each institution’s management teams to assess, not only the reasonableness of the institution’s initiatives, but also to assess the likelihood that the institution will be able to execute on the initiatives. Incorporating the assessment of execution likelihood would require a considerable increase in scope, resulting in total professional fees in the range of $650,000 - $850,000.

**Project Resources**

Should OUS decide to partner with Huron, we will provide a highly experienced team that has worked on and developed financial strategies for a number of colleges and universities. Andrew Laws, a Managing Director in the Higher Education Practice, will have overall responsibility for leading the engagement, be present at senior management meetings, and play an integral role in assessing the institution plans and forecasts. Andrew would be joined by a project director and manager who would direct the day-to-day fieldwork, maintain weekly contact with the engagement sponsor, and oversee the development of Huron’s deliverables. Huron’s team would also include an additional project consultant who will assist with data collection, recommendation development and Huron’s accompanying deliverables.

Andrew Laws has a track record of helping colleges and universities maximize, allocate and leverage financial resources. Andrew has led optimization projects at over 30 institutions and his recent clients include Auburn University, Purdue University, the University of Kentucky, the Georgia Institute of Technology and Ohio University. Andrew is a co-author of the recent NACUBO book, Responsibility Center Management: A Guide to Balancing Academic Entrepreneurship with Fiscal Responsibility and he is a frequent speaker at industry conferences. Prior to joining Huron, Andrew spent four years in investment banking, focused on financial modeling, ratio analysis and revenue and cost forecasting. Andrew earned his undergraduate degree in Managerial Finance at the University of Mississippi, his Master’s in Business at the University of Chicago and his Doctorate in Education at Vanderbilt University.