Senate Committee on Finance and Planning
Tuesday, May 3, 1994
3:15 - 5:00
Campus Club Terrace

Present: Irwin Rubenstein (chair), David Berg, David Dahlgren, Karen Karni, Craig Kissock,
               Gerald Klement, Doris Rubenstein, Thomas Scott, Mary Sue Simmons, Dianne Van Tasell

Regrets: Albert Yonas

Absent: Mary Askelson, Mark Davison, William Gerberich, Karen Geronime, Michael Hoey, Fred
               Morrison, Roger Paschke, Richard Pfutzenreuter, William Rudelius, Susan Torgerson

Guests: Acting Associate Vice President George Copa (Academic Affairs), Darwin Hendel, Jane
               Whiteside (both Academic Affairs)

Others: none

[In these minutes: Benchmarks and critical measures; Joint Big Decision Committees; academic
planning]

1.   Benchmarks and Critical Measures

Professor Rubenstein convened the meeting at 3:15 and welcomed Drs. Copa and Hendel and Ms.
Whiteside to the meeting to discuss benchmarks and critical measures for U2000.

Dr. Copa explained that he had been on the job for two weeks and that one of his responsibilities is
to lead a small group working on critical measures and benchmarks. A report will be made to the Board
of Regents in June and acted on in July. Dr. Copa reviewed some of the comments that had been made at
the April meeting of the Regents concerning the need to measure, the development and use of a set of
institutional performance measures, and the steps in the process that will be used to develop them.

He then posed to the Committee two questions: Are these the best set of critical measures? How
can the measures be developed so they provide the most useful information and are feasible to collect,
analyze, and report?

Dr. Copa then drew the attention of Committee members to a matrix of 21 possible critical
measures. They are intended to measure progress on the five strategic goals and are clustered around
teaching and learning, research and discovery, outreach and public service, over-arching areas, diversity,
and management effectiveness. In response to a question about responses to the college planning

documents, he emphasized that these are INSTITUTIONAL measures, although the working group will look at the measures proposed by the colleges to see what is working; they, however, will have some autonomy in choosing measures particular to their units. With respect to college planning and the short-term, Ms. Whiteside commented, the process is being slowed down some so that all have more time, and there will be feedback on the issues in the planning documents. All of the units, Dr. Hendel reported, appeared to take the issue of critical measures very seriously. One Committee member also cautioned that the data for the measures will not just happen; they'll need to come from somewhere; Dr. Copa agreed that as the question of data is considered, it may be that some of the measures will have to be discarded because data cannot be obtained.

Once there are critical measures and benchmarks in place, inquired one Committee member, will there be incentives offered to achieve them? Some believe that "no good deed goes unpunished"; if units are seen to be doing a good job, will they then be offered no support? And will those units doing badly receive increased support, as sometimes appears to happen? Dr. Copa said the process is intended to link budgeting with planning; these measures are in between the two.

One problem is that there is no college in the University that does not believe it is doing a good job and is not appreciated by the University; some of them are right and some are wrong. No one provides straightforward information to the colleges on what they are doing, which causes a problem in planning. The evaluation process has to have more of an impact on planning; the existence of critical measures is not enough. Moreover, added another Committee member, there ought to be sanctions when a unit does not achieve its goals, absent VERY good reasons, and sometimes it may be appropriate to close a unit down. "Let's get tough!"

The discussion then turned to the specifics of the 21 potential critical measures. Committee members raised a number of questions and made suggestions. Among the points made were the following:

--   The characteristics of entering older students will be different from those entering from high school.

--   One-half the University's graduates are transfer students.

--   There should be something about advising in assessing the student experience.

--   There ought to be measures of student involvement in campus life.

--   The notion of measuring responsiveness to "market" (e.g., in meeting unmet instructional needs) must be reconciled, clearly and articulately, with the proposition that the University should do less, not more. Equally, if demand decreases, the University must be prepared to "downsize"; another Committee member interjected that the term is "rightsize"; yet another added that it all means lay-offs. The University could also consciously decided NOT to pursue an opportunity to increase instructional offerings.

--   There remains to be established a means to recognize and reward departments that offer service courses, enrollment in which is affected by decisions of other colleges (e.g., an

increase in Nursing means an increase in demand for Human Anatomy courses). At present, in that example, Nursing would retain 70% of the increased tuition revenue from enrollment increases and the Medical School would receive none of it, although the latter would be required to offer additional courses or sections.

--   As measures are developed, there must be a context and a sense of the consequences. Planning is intended as a continuous process, it was also observed, and planning, budget allocation, and critical measures are ALL needed for the effort to work. A related point is that the measures must obtain necessary information, not a lot of information that it might be nice to have but with which the University will not know what to do with once it's collected.

--   The University appears to be quite efficient in terms of the number of graduates per faculty member.

--   There was considerable amused curiosity about what measures would be used for the proposed critical measure "bureaucracy." Percent of budgets? Number of vice presidents?

Committee members took exception to the use of graduation rates as a measure. What, asked one, is the goal of measuring graduation rates? It may be, Dr. Copa agreed, that if the measure cannot be defended, it may have to be rejected.

Dr. Copa said that although the Regents will approve the benchmarks in July, it is not clear when the specific measures would be ready for use. Some of those listed, Dr. Hendel observed, are closer to being measures than others--some are closer to being concepts than measures, at this point.

Dr. Copa then asked Committee members (individually) to rate the 21 criteria on a scale of 1-5 in importance as well as to identify what they believed to be the seven most important measures.

Professor Rubenstein thanked Drs. Copa and Hendel and Ms. Whiteside for joining the meeting.

2.   Joint Big Decision Committees

Professor Rubenstein then reminded Committee members of an article that had been distributed to them about the operation of "joint big decision committees" at six institutions (hereinafter JBDCs). Such committees consist of faculty and administrators who make recommendations to the president about big decisions. At Ohio University and Princeton, the JBDC is seen as a center of campus influence and judged to be successful by a number of measures. The Carnegie Foundation studies have found that a sense of participation is critical to faculty morale and satisfaction, and more important than salary in that respect; JBDCs can lead to a more informed university community, improve faculty-administrative relationships, and improve relationships within the community.

Right now, he observed, there is no equivalent to a JBDC at the University. There is much consultation, but no active involvement of faculty in big decisions. He inquired what the Committee members thought about JBDCs. Several comments were offered.

--   Could it be created, within the constitutional provisions of the Faculty or University
        Senate, without adding another committee? [Possibly.] This Committee, however, is a
        policy committee, not a budget committee, and the two functions should not be mixed up.
        Who might serve on such a committee would have to be determined. (Although this
        Committee has, on occasion in the past, functioned in part as a budget committee--to the
        sometime discomfort of its members, because they did not believe they had the information
        necessary to make sound recommendations.)

--   At one institution, the JBDC decides the allocation of their Strategic Investment Pool; here,
        that decision is (in effect) influenced most by the Academic Vice President, with formal
        action by the Board of Regents.

--   It appears, from the article, that the ability of the JBDC to make decisions is less important
        than the perception that people have been heard. Princeton is the only school, probably in
        the entire United States, that has a committee that makes decisions, but even there the
        perception is important.

--   At another institution reported on, the JBDC includes students and staff; it votes on
        priorities. For example, one of its most recent decisions was to identify the libraries as the
        top priority.

--   All consultation at this University is before the fact; there was no committee with faculty
        members on it that was enabled to review all of the SIP proposals and to identify priorities
        among them. The decisions were made in central administration. There would be merit in
        identifying some structure to permit faculty participation in expenditure decisions. The
        administration would probably see this as a constraint on long-term managerial plans, but it
        would solve the problem of the lack of faculty voice.

--   Were such a committee to be created, the people appointed to it would have to understand
        that it would require a tremendous commitment of time.

--   A JBDC would increase the quality and acceptability of decisions. It would tend to
        validate what has been done. There was a kind of JBDC at the University when the
        University Committee on Biennial Request and Budget Review (UCBRBR) was
        functioning; it broke down because people did not have the time. The worst such
        committee would be one that dealt only with faculty salaries--the committee would be
        useless unless it dealt with ALL the necessary budget tradeoffs. If it is not disciplined
        about the source of funding, its recommendations would mean nothing.

--   One concern is that none of the institutions in the article were large public universities.
        Several of the institutions visited by members of the planning team, however,
        (Washington, UCLA, Wisconsin) spoke about the existence of similar groups on their
        campuses.

--   What are the arguments AGAINST faculty participation? One is time. Another might be
        in the democratization of the process. Even assuming that the "right" group is selected,

and it has legitimacy, the problem is that faculty and staff tend to be quite parochial in their experience--they know a lot about how their own unit works and haven't a clue about the rest of the University. The dynamic of democratization could entail a risk of doing the average rather sharper and more directed decisions about resources.

One way to combat that parochialism is through service on committees such as this one. Another, used by one institution, is that members are rotated off the group every four or five years and the concept is spread across the campus. There is also a tradition there that one puts on the institutional hat when serving on the JBDC.

It was agreed that the Committee would take up this issue again at its meeting next week.

3.   Academic Planning

Professor Rubenstein then reported on discussions that had begun with Vice President Petersen at the FCC meeting about the lack of institution-wide ACADEMIC planning that seems to be taking place as well as the lack of an arena in which it CAN take place. The Research Strategic Planning Committee report begins to set the stage, but it doesn't have any teeth. It call for evaluation of programs, using certain criteria, but decisions about the 20 or 30 areas in which the University will focus its efforts are missing. The major academic planning now going on is differential budget cuts set largely by one person--and that should not be academic planning.

One Committee member inquired about cluster planning and how it would fit in with this lack? Another Committee member said the President's idea for cluster planning was a good one, but the press of events has precluded its implementation. The idea needs a little work, but it is not dead.

There had been discussion at FCC about Vice President Petersen leaving her views of the areas in which the University should maintain or gain strength, but a broader discussion is needed, it was said. At one institution, each college identified five programs; the university then identified 11 on which it intended to focus; it also identified another 6 that it felt were important to its future and needed to be strong. That kind of planning seems not to be occurring here. And it needs to include more than the deans because it should be broader than college boundaries; of the eleven at the one example, nine were intercollegiate. The University keeps saying it cannot be all things to all people; if so, it must focus, and somehow where it will focus must be identified. It is easier to positively identify programs to be strengthened than to identify good programs that will not be. The University may not be able to continue to support even some of its good programs if it is to retain quality in other areas. And if it wants to retain that quality, it is not clear how to do so except for reductions in other areas, given the University's resources.

The larger group needs to discuss these issues, said another Committee member. Some find that this budget reflects dollars channeled into facilities, which has stifled enthusiasm for academic discussions. This budget reflects the core concerns of the administration, which made the decisions. This budget reflects the importance of the institutional leaders; it is to be hoped that leaders who understand institutional planning will be hired so that it does not take place in an ad hoc fashion.

The University has about 3% of its resources available each year (since faculty members have

about a 30-year career). When replacement positions become available, those who make the case for keeping them in an area of strength should have a better argument than those who do not. If an institution has no idea where it wants to build and focus strength, it won't happen. Some of the colleges in the University are focusing in this way now, but that really only works in the larger units.

One Committee member expressed concern about the perception that the Strategic Investment Pool allocations were directed toward facilities, because the strategic directions emphasized were user friendliness and non-recurring items. Another agreed, and added that in the case of facilities, the University is paying the price for years of neglect and for believing that investing in facilities means one is not investing in academic programs.

No one objects to the investment in facilities, it was rejoined, especially not on this Committee. But it is nonetheless fair to say that some of the SIP items labelled user friendly came as a surprise to many. What appeared in the $9.1 million request to the legislature is what was expected to be in the SIP; many did NOT expect to see computer tape drive replacements, no matter how necessary, in the SIP. Everyone on the campus can identify outdated equipment. There is, it was maintained, a reasonable basis for seeing a lack of balance in the proposed expenditures. That perception, it was said in response, might have been cured had they been recommended by a JBDC.

People are just generally mad about facilities, observed another Committee member, and don't think about the need to put money into them. They see a lack of custodians, dirty windows, air conditioning that doesn't work, and get mad. Then when 1/3 of the SIP goes to facilities, they get even madder. That raises another question about critical measures, pointed out one Committee member: What if a unit is not performing well because it is not provided the resources to do so? (As with, for example, the frustrations at facilities problems). Facilities Management, it was pointed out, has developed a very good set of issues that it intends to pursue, and has established norms by looking both at other institutions (not just universities). They had an excellent presentation during the budget process, it was said, that was well thought out.

That information should be disseminated more broadly to faculty and staff, it was said, in order to explain the money be spent and the measures to be used to determine if it was well-spent.

Asked if there would be an evaluation of the budget hearings themselves, one Committee member thought probably not this time. One conclusion, however, is that there should have been follow-up hearings with the units to further discuss the budget plans, once they had been developed.

Professor Rubenstein adjourned the meeting at 5:00.

<div align="right">-- Gary Engstrand</div>

University of Minnesota