

**UNIVERSITY OF MINNESOTA  
BOARD OF REGENTS**

**Board of Regents Work Session**

**Thursday, November 12, 2009**

**10:30 - 11:30 a.m.**

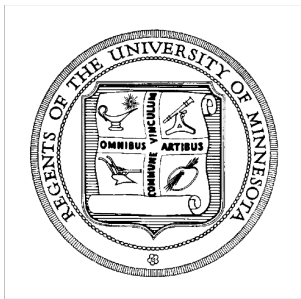
**600 McNamara Alumni Center, Boardroom**

**Board Members**

Clyde Allen, Chair  
Linda Cohen, Vice Chair  
Anthony Baraga  
Richard Beeson  
Dallas Bohnsack  
John Frobenius  
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Steven Hunter  
Dean Johnson  
David Larson  
Maureen Ramirez  
Patricia Simmons

**AGENDA**

1. Critical Indicators for University Performance - R. Bruininks (pp. 2-5)



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**Agenda Item:** Critical Indicators for University Performance

review       review/action       action       discussion

**Presenters:** President Robert H. Bruininks

**Purpose:**

policy       background/context       oversight       strategic positioning

To brief the Board of Regents on the University's framework for tracking and reporting on key performance indicators.

**Outline of Key Points/Policy Issues:**

This presentation will provide the Board of Regents the opportunity to review and guide:

- The principles supporting the University's metrics work
  - A framework for organizing key performance indicators across the mission and support functions of the University
- 1) What are we seeking?
    - a. An endorsement of the principles, framework, and strategy: The current focus of the University's metrics work is to create a multi-level, multi-purpose, University-wide model and framework that will:
      - i. Support the Regents' responsibility to monitor and evaluate the performance of the institution in fulfilling its mission and achieving its goals;
      - ii. Align key performance indicators to assess the progress and impact of the University's strategic goals; and
      - iii. Foster the environment and culture that demonstrates that the University's decision-making is data-driven and publicly accountable at the institution and unit levels.
    - b. Feedback on the framework and whether it meets the Board's expectations and needs and ensures support for achieving the University's mission and strategic goals

- 2) What will this framework and these indicators allow us to do?
  - a. Frame materials and presentations to support the governance responsibilities of the Board of Regents
  - b. Frame metrics of different types, at different levels of the organization, and for different purposes within a common, unifying structure to support the continued quality, excellence, and performance of the University
  - c. Clarify how units and initiatives fit in the achievement of the University's mission and strategic goals
- 3) What are our next steps? Based on this review, the administration will:
  - a. Continue to develop and refine the core principles, key indicators, and measures in the framework
  - b. Consult and solicit feedback for continuous improvement of the framework
  - c. Integrate the framework and key indicators into the University's budget and planning processes and ongoing operations.

### **Background Information:**

The University has demonstrated a strong commitment to accountability and measuring its progress for its entire history. Indeed, since the University's inception 157 years ago, citizens, the state legislature, the federal government, the Board of Regents, alumni, students, parents, employers, and many others have held it accountable for fulfilling its fundamental land-grant mission of teaching, research, and outreach and service. The University's leadership takes this responsibility seriously, and we continue to look for ways to more closely align mission and goals with reliable and consistent measures that enable the Board and others to monitor the University's progress and impact.

Over the years, there have been many ways in which the University has demonstrated its accountability and its progress in meeting mission-related goals. These include required reports and activities, such as:

- Institutional accreditation of each campus by its regional accrediting agency (Higher Learning Commission of North Central Association of Schools and Colleges) and more than 200 programs by specialized accrediting agencies, such as the American Medical Association, American Bar Association, Accreditation Board of Engineering and Technology, and the National Council for Accreditation of Teacher Education.
- Monthly, quarterly, and annually mandated reports to the Board of Regents, such as student admissions and progress, faculty promotion and tenure, University operating and capital budgets, student tuition rates, independent auditors' report, campus master plan, real estate transactions, gift reports, asset management reports, controller's report, purchases of goods and services over \$250,000, new and changed academic programs, academic unit strategic plans, NCAA reports on student-athletes, and presidential performance reviews.
- Compliance reports to such agencies as the U.S. Department of Education, National Science Foundation, National Institutes of Health, U.S. Department of Agriculture, HIPAA, Family Educational Rights and Privacy Act, University Institutional Review Board, City of Minneapolis, Hennepin County, and Minnesota Office of Higher Education.

In 2000, the Board of Regents approved the creation of the University Plan, Performance, and Accountability Report. In its resolution, the Board noted that it “...holds itself accountable to the public for accomplishing the mission of the University” and that the report was to become the principal annual documentation of that accountability.

The first report was published in 2001. The Board recently received the eighth edition of that document, which currently includes more than 100 measures of the University’s progress and performance, organized to reflect alignment with the University’s strategic plan. From the beginning of the strategic positioning process in 2004, and in the University’s strategic plan, “Transforming the U for the 21<sup>st</sup> Century,” metrics and measurement have occupied a central place. The current effort, therefore, does not represent the adoption of performance measurement as a novel approach, but rather an evolution of our metrics strategy to enhance the coherence and impact of measurement efforts to support improvement and change occurring across the University of Minnesota system.

The University of Minnesota is a large, complex, and decentralized organization. To build coordinated and strategic action in such an environment requires that each segment of the organization have a clear line of sight to measures of their performance and how their efforts contribute to the success of the whole academic enterprise. The challenge facing the University’s previous metrics efforts is that they were often disconnected, in separate operating units, or from the core strategic goals of the University and the ongoing governance responsibilities of the Board of Regents. Excellent work has been done in the academic and administrative arenas, and at institutional and unit levels. That work, however, has not been built sufficiently into a larger, highly integrated and understandable framework. Building a clear, shared framework is essential for promoting quality and alignment of actions throughout the organization.

The framework being presented draws on the structure outlined in the University Plan, Performance, and Accountability Report, but broadens it to more fully incorporate the functions of the University that support the delivery of its mission. This structure enables each unit of the University, whether academic or administrative, to track how its performance contributes to the achievement of the academic mission and the University’s strategic goals, to the support and development of the institution’s vital human resources, and to providing innovative, effective, and efficient services.

The architecture of the framework portrays the University’s mission and the core capacities to deliver and support that mission. Next, the framework identifies the strategies the University has defined to advance the mission, and indicators of performance with respect to those strategies. The framework is robust, and can capture and display three broad, interconnected levels of indicators: key, system or administrative, and unit or initiative.

An indicator is defined as information that is observable, measureable, and connects to accountability mechanisms and policy decisions. Wherever possible, indicators are focused on outcomes rather than inputs. **Key indicators** are all-University measures that assess the standing, performance, and progress of the University toward the achievement of its mission and strategic goals. System or administrative indicators assess the performance of campuses, colleges, and broad administrative functions. Unit or initiative indicators assess the progress of specific functions or cross-functional efforts. Collectively, the indicators are measures for which the University is accountable to the Board of Regents, state and federal agencies, accreditors, associations, and external studies of University quality and productivity, as well as essential internal measures to improve quality and service.

The focus of the presentation will be at the all-University, key indicator level. The number of key indicators is purposely limited to guide high-level assessment and decision-making. These key indicators monitor how the University is progressing on the achievement of its mission, whether the strategies being pursued are successful, and how well our operations are supporting the mission, strategies, and goals. Within each academic or operational area, many additional measures are tracked to inform decision-making and enhance results. These will be captured at various unit level views.

The framework further supports multi-level performance measurement and strategic planning by providing an architecture for cascading unit-level strategies and key indicators that align with the institutional goals. Within each unit, a richer, more localized set of measures, many of which are already in use or are in development, serve to capture performance on unit processes and initiatives, giving management-level measurement that feeds the achievement of institutional priorities.

One area that illustrates how this cascading structure works in practice is the Six-Year Capital Improvement Plan. The Capital Improvement Plan lays out five goals for capital projects over the period of the plan: ensuring student success, ensuring research productivity and impact, fulfilling our statewide mission, protecting public assets and investment, and recognizing current extraordinary financial realities. As an example, the first goal, ensuring student success, aligns with the University system strategies to challenge, educate, and graduate students and to motivate lifelong learners, leaders, and global citizens, under the institutional strategic goal of providing an extraordinary education. Performance on this capital project goal will be measured by the key institutional-level indicators of graduation rates and student engagement. This is then one point of intersection between the University's goal of providing an extraordinary education, and the Capital Improvement Plan.

Going forward, we will continue to work with the University's executive leadership, key governance groups, and others to continue to refine the selection of key indicators, connect existing measurement systems with the framework, and support the development of indicators in units that are not as far along. Over time, as organizational structures and priorities shift, the selection of indicators will shift as well. In particular, indicators connected to specific initiatives may be used only while the initiative is underway, but many measures will endure across years, reflecting the core values and aspirations of the University community and the State of Minnesota.

We will also use this framework as a reporting mechanism to help focus discussions and review of University progress. The Board of Regents can then expect to see this framework at each upcoming presentation to Board committees, at work sessions, and in full Board meetings where specific progress is being reviewed.

We are seeking feedback from the Board in answering four central questions about the framework:

- 1) Are the articulated goals the right ones to represent the University of Minnesota's mission and core capacities to deliver and support the achievement of the mission?
- 2) Are the strategies articulated comprehensive enough to represent the scope of the University's mission and functions?
- 3) Are the key indicators identified at the right level to support the Board of Regents in meeting its responsibilities?
- 4) Should targets be set for some or all of the key indicators to evaluate the University's standing, performance, and progress?