

Report of the AHC-FCC to the Sr. Vice President for Health Sciences on the Proposed AHC Strategic Directions Framework

February 12, 2010

Preamble

Elected members of the Academic Health Center-Faculty Consultative Committee (AHC-FCC) recognize the importance of strategic planning, particularly in light of the new economic normal imposing greater financial constraints on the AHC. In response to these economic realities, the Sr. Vice President for Health Sciences has proposed a Strategic Directions framework intended to achieve convergence among the AHC schools and to guide the AHC toward a productive and sustainable future. A key responsibility of the AHC-FCC stated in its Constitution and Bylaws is to, "Meet with the Senior Vice President for Health Sciences to discuss issues or policies of the AHC of concern to the faculty or to the students and, as appropriate, to make recommendations concerning such matters to the AHC Faculty Assembly." Dr. Cerra has requested on-going input and dialogue on the AHC Strategic Directions framework, including this formal response to the focus, tactics, milestones and metrics of this framework.

Background

Pursuant to various meetings and discussions throughout the University of Minnesota, the Senior Vice President for Health Sciences proposed the AHC Strategic Directions framework in the Fall of 2009 (Available at: http://www.ahc.umn.edu/prod/groups/ahc/@pub/@ahc/documents/content/ahc_content_175222.pdf). The AHC Strategic Directions have been widely disseminated and discussed throughout the AHC from October 2009 to January 2010. The fundamental goal is that AHC school-based plans will align with the AHC's strategic directions, which in turn align with the University's priorities.

Each of the AHC schools and colleges are reviewing and responding to these proposed AHC Strategic Directions through a series of Town Hall and Blue Ribbon committee meetings. The AHC Strategic Directions framework is founded upon five strategic directions (or overarching pillars), each of which includes 3-5 broad strategic tactics that are expected to drive the time line and metrics for decisions that will need to be made to guide the AHC toward a productive future.

Response of the AHC-FCC

The AHC-FCC has reviewed and discussed the proposed AHC Strategic Directions framework at monthly meetings of the AHC-FCC on October 1, 2009, November 5, 2009, December 1, 2009, January 14, 2010, and February 11, 2010, as well as at dialogue meetings with the Sr. Vice President on October 22, 2009 and January 20, 2010. Early in the process, AHC-FCC Committee members generally struggled with understanding what the five pillars really mean. As the discussions progressed, the Committee also grappled with specifics and the implications of this Strategic Directions framework. The statements were essentially all desiderata, but not actionable.

The AHC-FCC understands that one aspect of this framework is to guide allocations (investments) in AHC areas of strength in order to enhance the University's leadership position in research, teaching and community engagement. The AHC-FCC identifies that there will be considerable challenges and sensitivities in addressing the Strategic Directions tactic to, "Assess all programmatic areas and determine which priority areas to emphasize for growth, which areas to maintain, and which to eliminate." The AHC-FCC understands and supports the need within the framework to channel investments into established areas of strength in order to reinforce the University's leadership positions. However, we are concerned that reliance upon non-administrative faculty to recommend programmatic areas objectively for elimination is inherently flawed.

Divisive tensions can be anticipated across divisional and departmental interfaces as difficult financial decisions are made by administration. The faculty does not have the needed information to make informed choices regarding program priorities. In addition, faculty do not know which programs are financially viable or support large grant funding. Members of the AHC-FCC believe that asking faculty to recommend changes without access to this financial information creates the illusion of choice and collaboration in making these difficult decisions. Each school's faculty should be participating in these decisions in an open and honest dialogue about what outcomes are desired and what must be eliminated.

The AHC-FCC is wary that the benefits from engaging non-administrative faculty in making programmatic decisions may not outweigh the potential negative fallout among our colleagues. To minimize these unwanted impacts, it is imperative that faculty perceive a transparent and unambiguous decision process, and effective communication of the process is a priority. Nevertheless, AHC-FCC members will attempt to provide input and suggestions on programmatic priorities, tactics,

metrics and milestones during dialogue sessions with the Sr. Vice President for Health Sciences.

Within the Strategic Directions pillar of, “Achieving Excellence in Leadership and Decision-making,” the AHC-FCC wishes to highlight one vital tactic, or imperative to, “Eliminate duplication of function.” The AHC-FCC recognizes that there has been small recent progress in this area although duplication of administrative functions persists across the AHC infrastructure. Considerable administrative duplication in areas of human resources, financial management, accounting, admissions, communications, and space use, as well as at “dean,” “vice president,” and civil service positions could be achieved through position redefinition as well as centralization across AHC units.

Within the Strategic Directions pillar of, “Increasing the Impact of Research on Health,” there is the strategic tactic to, “Align Faculty recruiting with the Research Corridors.” The AHC-FCC believes that there should be a similar tactic articulated within the pillar of, “Innovation in Education to Enhance the Health Workforce.” Specifically, it is suggested that the following tactic be included to ensure that our faculty continues to be, “Aligned to Meet the Educational Needs of Students in the AHC.”

In light of difficult decisions that must be made in the very near future, the AHC-FCC identifies several lingering questions including:

- Where does the authority and responsibility lie with respect to budget cuts?
- How will difficult financial decisions be applied fairly, versus mechanically, across personnel in the AHC?
- How will we cut costs and create efficiencies, while promoting innovation?
- How can levels of hierarchical structure be reduced?
- What criteria will be identified and implemented to reduce the percentage of resources going into day-to-day operations?
- How can the AHC-FCC ensure that the new leadership continues to follow the roadmap coming out of this framework?

Notwithstanding the resolution of these outstanding questions, the AHC-FCC concurs that faculty must continue their engagement with administration in the process for setting priorities and making difficult programmatic decisions with clear intent to reduce duplication and eliminate non-strategic programs and services.

Summary

Given the leadership transition that will occur with: President Bruininks' retirement at the end of the 2010 – 2011 academic year, Sr. Vice President for Health Sciences Cerra transitioning into retirement at the end of the 2010 calendar year, and the financial challenges facing the institution, it is imperative that the Strategic Directions framework be finalized and implemented rapidly. The AHC-FCC recommends that succession planning for these leadership positions focus on identifying individuals who philosophically support the Strategic Directions framework for meeting the University's long-term challenges, which include falling state support, increased importance of tuition, rising costs, and increased competition. AHC-FCC expects to participate in planning processes for succession.

AHC schools are being asked to share their priorities and suggestions for where new investments (allocations) should be made and where costs can be contained. The fundamental and common goal is for AHC school-based plans to align with the AHC's strategic directions, which ultimately align with the University's priorities. Each of the schools has been asked to develop a work plan, and each school's strategic directions document (including tactics and milestones) will then be aligned with the overarching AHC Strategic Directions framework. The alignment of these efforts will serve to guide the allocation of resources across the AHC to determine areas that will be funded and those that will not be funded. The AHC-FCC strongly recommends that there be a series of Open Faculty Forums so that each of the collegiate "Blue Ribbon Task Forces" can report and discuss their work with colleagues throughout the AHC. We expect for faculty to participate in decisions about budget cuts based on open, transparent information.

The Sr. Vice President for Health Sciences, Dr. Frank Cerra, has requested a formal written response from the AHC-FCC concerning whether this is the correct strategic direction for the AHC to take. The AHC-FCC generally believes that this is an unavoidable and appropriate strategic direction for the AHC. Dr. Cerra has noted to the Committee that a majority of the work will occur in implementation of the tactical component of this framework because this is where funding decisions will be made.

The AHC-FCC believes that the directive to, "access all programmatic areas and determine which priority areas to emphasize for growth, which areas to simply maintain, and which to eliminate," is the cornerstone of the framework. Divisive tensions can be anticipated in the absence of information available to faculty that is needed to make informed financial decisions regarding program priorities. An

incredible amount of work remains to be done in order to identify the University's and AHC's strategic priorities. Once identified, a work plan measured by benchmarks and milestones will be implemented and the AHC-FCC stands prepared to continue in dialogue to provide input on these difficult decisions.

Respectfully submitted,

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