

FACULTY SENATE
Oct 13, 2010
LEO JOHNSON 346
4:10 PM – 5:00 PM
MONTANA STATE UNIVERSITY-BOZEMAN, MONTANA
Minutes

Members Present: Anderson, Biber, Cherry, Merzdorf for Eiger, Eitle, Engel, Fisher, Kaiser, Lansverk, Larson, Martin, McClure, Mokwa, Neumeier, Palmer, Reidy, Rossmann, Schachman

Others Present: Todd Buchanan, Regent Barrett, David Singel, Craig Roloff, Diane Donnelly, Joy Dale, Jeff Adams, Pat Lane, Brett Walker

Chair Lansverk called the meeting to order at 4:12 PM. A quorum was present.

Discussions with Regent Todd Buchanan (TB) and Regent Stephen Barrett (SB)

Chair Lansverk welcomed both Regents and described the discussion format as a participatory event.

Regent Buchanan began the discussion with a contextual commentary: The MUS has experienced explosive growth. The Regents formed a reinvention workgroup, the Regents' Workgroup on Reform and Reinvention, to discuss how to fold the growth into the current state budget during these difficult economic times. The Workgroup want to increase the overall educational attainment of Montanans and provide an efficient and effective system of higher education and recommended that nine key elements be undertaken to achieve a *Success Agenda* in the Montana University System. This document may be viewed at: http://www.mus.edu/board/meetings/2010/Sept2010/148-102-R0910_A2.pdf

Regent Barrett discussed how the MUS must face rising costs. He noted that our system, however, spends the lowest dollar per FTE nationally and produces an inordinately high amount of baccalaureate degrees. "More dollars doesn't equate to a better system as evidenced by one of our peer institutions. Stimulus money was for one time only gaps. We still have an \$18M deficit."

Chair Lansverk then segued into a discussion about performance based funding. Referencing Mick Robinson's presentation, he queried where the Regents' thinking was on the proposed metrics. Regent Barrett stated that although Mick Robinson's approach was only one option, he believed the concept to be justifiable. After learning where the numbers came from and how they were applied, Regent Barrett seemed to be satisfied with the report.

Chair Lansverk stated that there is huge difference between the entire MUS budget and a performance "slice." Since the Regents want something within the next biennium, would you begin this performance based funding process slowly? Regent Buchanan stated that there is a performance based model in place now and that it based on 100% FTE; how many students are in the classroom. The national agenda has changed, however, and now the focus is on measuring and incentivizing outcomes. We are weighting the costs right now. There are certain things that the MUS has to do and Robinson's model is about exploring costs. In our \$2M budget every year, there are certain things we must fund and are expected to do because the expectations from our citizens include paying for such things,. We are aiming to have in place, by next May, a budgeting process. This won't be a static budget. We can't say that the things we prioritize today, might be the things that are priorities in five years. We recognize that FTE still has to be a large part of the model and to remove it would be inappropriate. We do have to incentivize certain things. If we cannot find resources (and we are depending on you and the students to help us do that) we are going to fight as hard as we can to retain funding. We have to be realistic. We know the state is facing a deficit and we may be limited to the pool we have; maybe a little bit less. How do we find resources and funds with no extra money? We are going to have to find resources within the system. It might be some other department, campus or program. We have to find a way to redistribute those resources to fund priorities of the system. We have to react, short-term, in this environment. This performance based thing is a metric that makes people nervous. It is a concept that gets students through the system with a quicker delivery. Here are some things I think of as being on the list of priorities: We need to expand out online services. We are losing students to the University of Phoenix. We can use resources to incentivize our campuses to with

each other to avoid duplication. What I hoping for today, is questions and ideas that help our system that make it attractive to our students. We aren't capturing any more of our in-state high school graduates (college bound). What are the things that are succeeding in the universe of the education system that we need to focus on, budgetarily, by putting performance based funding into place?

You should be asking "Why are the high school students not coming to MSU?" Also, a lot of students are going to our peer institutions such a University of North Dakota or to Eastern Montana. They are going to regional states, and is that part of our collaboration; to work with our neighboring states?

SB: I would ask, do we have incentive to work with collaborative states?

FS Member: Yes. WAMI is one. There is collaboration among regional universities (WWOI) but it is a small numbering of students coming to MSU.

SB: I'll ask another way, WAMI is highly specialized. But, just generally seeing people going to North Dakota, we lose and they win. They are being very aggressive about recruiting students. They are allowing in-state tuition for all students. Also, students in Eastern Montana are closer to Minneapolis. It's about economics.

FS Member: You brought up online courses; why not waive online courses, or apply some number, consistently across the board, whatever you decide it should be.

Craig Roloff: All the non-residents in the dorms will stop signing up for classes and take their classes in their dorm rooms.

SB: The biggest percentages of those taking online classes are those on campuses.

FS Guest: Did the online classes increase the revenue? We start with the assumption that this would be a revenue enhancing effect, correct?

SB: It was a surprise. Since the overall rate didn't change, it was flat.

FS Guest: Let's try to plan so we avoid surprises. It seems like an obvious thing to do; hat you would enhance revenue by doing this, but the facts show it is not.

SB: That's how all these things work. Every time we figure out answers there is a corresponding down side.

FS Member: Decide what you want to incentivize; decide how much money you want to put aside for it, and then you hope to God when you do it, it works out the way you planned. I think that's the fear we have, as faculty, about the performance based funding metrics. If students out-the-door (graduating) is what you want to incentivize, then we ask, "Who pays for those who do not finish?" What about all the other things we do like research?

SB: Then we'll ask, "What should we incentivize?"

FS Guest: In the broadest term: Excellence, that's what brings students to universities.

SB: I would agree with you on that. How do we measure that?

FS Member: What's in this for the faculty?

TB: That question comes to us in a million different ways and the answer is survival. We have campuses that are struggling with enrollment challenges. In the short term, we are in a good spot; we have increased

enrollment. What do we do to increase the attractiveness of being a faculty member in the MSU? IS that what you are asking?

FS Member: Partly. Salaries are frozen for the last two years. So we increase numbers at this institution, so we're 10% over in the next five years, let's say, but what's in it for us?

TB: The easy answer is that there are more students in the system so you're generating more revenue and that gives us something to talk about. Now, that's sounds easy and that's part of it, but give me an incentive. Is it only financial? Is that you're only incentive?

FS Member: We spend the least dollars per FTE. in our system. Do the faculty salaries rise as the enrollment increases?

TB: I think that's the model. I'm a business person, I think that's worth considering. There are some inherent challenges to it. The market driven economics is that if you can attract more students; I think that's worth considering.

Lansverk: Philosophically, we have something here that might need re-examination. You are proposing a model of performance based funding; we currently have a model that is FTE based. PBF presumes budgetary, number driven academic planning is the best way to solve our economic problems. MSU has people in administrative positions who are involved in this process, daily. Maybe we need to do this planning at the Regents level; a more informed level where discussion takes place, and not just at a budget allocation level. Philosophically, what is the advantage of PBF?

SB: We aren't in the system and we can't see everything. I've read many many books but I still don't know all that there is. We understand that the vast amounts of faculty haven't received raises and that isn't good. We also have millions of dollars in deferred maintenance. We don't have enough good answers; we have to pick among bad choices. Sometimes when things hit our desks, we have to make choices and we hope they are good based on what we know.

TB: How do we move forward? The decision has been made that we are going to move some of the money into PBF. The consensus we are trying to get, and the reason that we are here today and visiting other campuses as well, is that I want to hear what definitions outcomes do we need to avoid and need to incorporate. The decision has been made. We're going there. So, we are asking you what pitfalls and successes that you see, work.

FS Member: I am concerned that we do protect the research/creative activity. That is really what differentiates our campus from the other campuses. We, the faculty, are learning at the same time as the students. We perhaps are learning at a different level, but we are learning together and that is an important thing to protect. We have to be very careful to protect this concept of high quality creative endeavors of student learning.

Lansverk: I am concerned that our activities tend to be reduced to a single data point and put all your resources into that. The university is a complex entity.

FS Member: For example, Dennis Jones makes this comments that faculty who do not generate external funds should now be moved from research into teaching. When I look at departments like literature, art, language, these people are doing real things, really great stuff. Even though they aren't getting external funds, we want to be careful and protect them and they do things that are equally important.

FS Guest: The way the university looks at those metrics is through peer institutions. Are the BOR going to provide incentives for creative projects? That is the challenge. Also, just having graduates as a way of addressing increasing revenue in our areas without being responsive to work force needs...there are lots of bad numbers and lots of hard numbers. Are the BOR willing to make the statement that this what they think MSU aspires to be doing?

SB: Once we decide what the statement is, we are prepared to make it. We are always going to have some component related to population. The FTE based yield metric was related to a lot of programs that were geared towards finding more FTE for programs that were not of high quality. I would love to talk to you about what programs are valuable. We need a way to identify quality and from that we need to do program prioritization.

FS Member: In your PBF model, have you taken into account the land grant role and scope?

TB: We are not taking 60% of the budget to go into PBF; we are doing it incrementally. Timelines for when this PBF will hit the floor; is in November, and I hope the campuses come to inform us of the supporting metrics and then we will have tools to help support those. There is a constitutional mandate that we must recognize research, service; we have to recognize those. If we don't find a way to support it through a specific metrics a slice of the pie might come down a bit because we know we must fund those things. Does that mean it is not up for debate in the future? Maybe. We have emphatically, we want to begin to incorporate some budgetary mechanism to incent some things.

FS Member: Let's assume you find the perfect PBF model. How can we reassure ourselves that there will be a business consideration that growth will be rewarded? What happens if the funding stays the same for every additional student, so that we will have less money to actually educate the student and provide them with an excellent education?

SB: Clearly that could be a cycle that would be self-defeating. We have to start with some premise. In the reasonably foreseeable future, we aren't going to enlarge the pie; we don't like that, but we will do all we can to change it. In the meantime, people who are performing and have good programs that are attracting students, that should be rewarded and that should be prioritized. Then we must look at programs that are not succeeding, and perhaps they should go away. We aren't confident to say which go; that is a conversation we need to have with all of you.

Lansverk: Does that allow for a strategic investment by campus that identifies and might take place in five years; low enrollment.....

SB: It's all those things. That is why it is so hard to do. At the same time, we might have to say, "We can't do that. They might have to go to Billings for that."

FS Member: We're looking at the PBF metrics and they are telling us how to measure performance and what will determine a budget. Where are those performance consequences applied? As the BoR, will you look at what we have accomplished as an institution, say you earned \$1M this year., will that then go to the institution to allow certain programs to keep going forward even if you think it isn't a good thing?

SB: The budgets are constructed, really, here on the campus. Once it goes beyond the allocation stage, we have precious little to do with how it is allocated within the institution and it is up to you, internally, that does that. Those are the people who are going to have to do the hard work. You get the money; it's the same, but you have to decide what to do with it.

We would also have to ask that if we have two duplicate departments, does this one need to be as rich as the one at MSU? Maybe teaching a particular class is closer to a mission of one institution than the other. These are the tough decisions to make.

TB: We cannot afford to continue to invest with the anticipation that each campus will do everything that every student would like who attends. So, how are we going to be more strategic? In my experience, students go to institutions because of excellence. Strategically, our institutions are going to have to define some niche market; Western for example, has a niche delivery model that is working. With PBF, we can force movement of investment towards the strongest programs. Currently, there are very little budgetary consequences associated with peer reviews and programmatic reviews. We have to integrate budgetary reaction to programmatic review. So when the number of students in a class is no longer economically

sustainable, when the market is no longer saying, “We value it” we have to, as an institution, quit funding that and move the money to something we are excellent at doing. So, when we move money, it is money someone is receiving. When I review this dialog, I dislike that it is confrontational.

FS Member: How do you rationalize that Tech has an electrical engineering program and we have an electrical engineering program and we are only 80 miles apart.

TB: Good point. Maybe we can stop making those investments. I can’t make a statement about it right now. You and your CEO’s have to come up with a measure of how successful one is, or one is not.

FS Member: This program sounds like shrinkage, consolidation, shifting of resources from one campus to another. There is a way to make the system more efficient by sharing resources. For example, there is a PhD in physics and some faculty could mentor graduate students and we could collaborate at very little cost and, in fact, it would allow those people to seek grants because they have students.

SB: One of those things we discussed was collaboration. Graduate student program are expensive but they spin off more and are a great advantage. I don’t know enough about it, but I get the idea we could address graduate programs better.

FS Member: In looking at the Success Agenda, I see it really is trying to build in efficiencies across the system. But when I look at the transferability initiative, I see that as a couple of years down the road as a real positive, as well as others, as positive. There are things that we (faculty) believe in as well, and I think we should remember that at the last BoR meeting, we added retention of faculty and compensation of faculty as an item to this agenda we discussed this with MEA/MFT.

Lansverk: Faculty want to be involved in the agenda.

FS Member: Research should be a major bullet item on the Success Agenda. It is listed on your agenda as a sub-bullet under one of your topics.

FS Member: There is often so much focus on the two-year initiatives and two-year education at BoR meetings, when in fact the number of students at U of M and MSU as compared to numbers on other campuses....

SB: That is a problem we are trying to cure.

FS Member: Yes..I can see that you are trying to align students with the correct institution.

FS Guest: I think the common course numbering is an example of a road you don’t want to go down. It was throwing a \$1M at a problem that didn’t exist. It wasn’t listening to faculty or curriculum-ese it was an assumption that just something where a \$1M was thrown at it to fix it. It shows a gross misunderstanding of what classroom teaching is. You don’t just have uniform structure of curriculum across states in the nation but classes are representations of individual faculty creativity where you hire great people to bring that expertise to that university and offer a unique experience unique to that person. To homogenize that with common course titles, it was waste of money.

SB: The problem we thought we were dealing with was is that we thought those two things were related. It was not an attempt to make the classes homogenized. It was an attempt to make the 60% who were similar enough for the transferability to make it easier. There were a different set of rigor depending on the department, there was no predictability whatsoever about what was happening to people who were moving among the system.

FS Guest: We still maintain that. We have to make a decision, or at least faculty have to have an opportunity to make that decision. The primary concern is for student success and the idea that just assuming that a student taking a course in Havre and is now ready for the next course here, is a danger to them.

SB: I agree. I have given that talk to the BoR about transferability. You don't you r students any favor if we transfer them into a curriculum and set the up for failure. You don't have to convince me of that. The question would be, we realize there are some programs that don't equate; if they don't equate, "If it doesn't we can't do this." At some point can we decide that there is enough so that we don't have to review every single one of them by hand; is there enough similarity.

JN: Certainly for the lower numbered courses.

TB: Yes, for lower levels. 300 or above, this really breaks down.

BW: The advisors in departments didn't have a problem doing this. They could figure it out. The first part of this discussion was all about the need to create policy with leaders. What are faculty thinking to let us make the decision. That (common course numbering) is an example of not doing it and that is counterproductive to the kind of model they are thinking about.

FS Member: The students would argue that they didn't. We interviewed students and they couldn't figure it out.

FS Guest: That might have existed for a handful of students, but the university has internal mechanisms for handling that.

FS Guest: Working in transfer and advising for 30 years, regarding your course commonality, no one asked us. We could have told you where to focus and where to spend the money. You can determine one course might be equivalent to another, but beyond that I would never take Calculus 1 at another institution and then come here and take Calculus 2.

TB: The intent is to be very public and clear about the initiation phase for the next budget cycle and to engage in participation. That is one of the biggest steps we need to take. The BoR and OCHE need to do more of that and that is our intent; to follow the principles of the Guiding Principles document designed by faculty members.

FS Guest: I'm glad to hear that because as you said some of us really know what we do in certain areas.

Lansverk: When Mick Robinson showed up that was in the spirit of communication as they were working on PBF might look like. And yet what tends to happen is that feedback solicitation in comes in spurts. With Dennis Jones, we would like conversations with him if he is a primary consultant.

TB: I think that's fair. Let's assume that you are right and we wasted a million dollars, has any harm been created?

FS Guest: Oh, yes. We've tried very hard to anticipate where programs might fall.

FS Guest: You talk about creating incentives to get students here; one way faculty can do that immediately is to create innovative courses; first-rate nationally recognized innovative courses. We can't do that now because courses now falls within some rubric with a homogenized title so it fit within the choices of Western, or you can have a unique course but in history there are so many unique courses, we ran out of numbers so now we have HISTA and we have HISTR and we have HIST. Try to make your way through that.

SB: Things began getting out of hand. You're saying we solved a problem that didn't exist; we're saying we solved a problem that did exist. Maybe we were wrong.

FS Guest: I think there was a problem, but the way it was solved made it worse.

Lansverk: There is room for more assessment for that whole transferability, cost and value is going to keep going on.

FS Member: I know you've heard this, but I have to say it; if you want me to put my course online, I'll do it. If you want me to raise my cap from 40 to 50 to 60 or 70, I'll do it. But eventually, you're going to lose people. We'll do all these things, but we don't see any incentive to do it.

SB: There probably isn't a person in here that shouldn't be paid more. We can only control what we control and we get that from the legislature. Let's say we get the same amount: You told us what the problems are and people aren't getting paid enough so, solve the problem. How do you solve the problem with the same pie? You're going to have to get rid of something.

FS Guest: There are departments on this campus if you look at the Delaware that are paid 60-70%. But this isn't the most illustrative peer group and we're talking about our neighbors here. It's not a matter of just getting raises it's a matter of just getting something.

SB: The one thing we cannot change, maybe slightly, is the size of the pie but if we have the same pie, you all need to figure out how to solve the problem.

FS Guest: That is university bureaucracy internal to the university. Maybe there should be less bureaucracy.

FS Guest: We are thinking in terms of teaching research and outreach, but how do you manage managerial performance? We are talking about an academics program, but there is a layer of middle management.

TB: This document (Success Agenda) is not limited to academics. It is expansive to include OCHE and, as Marvin said, it should include the BoR budget.

FS Member: There have been some recent writings at the national level, about this increase in tuition. Where is this money going from enrollment? It's not hiring faculty. We hear that it is going into administration and staff. How many administrators do you need per student per faculty?

TB: I'll share a concern. Our growth of facilities has been aggressive of late and our enrollment hasn't supported the square footage, for the whole MUS. There is an element of future spending.

SB: Once you've got that, it's like having a horse –you've got it.

Lansverk: What level of the budget allocation is going to be happening through the U of M side, through the MSU side and we have been asked to form as single units? If dollars flow there and the CEO's are making the strategic hard decisions, or do you want the level of competition to go down to each individual unit, or I know some places have implemented competition down through departmental levels.

SB: You're saying multiple things. The answer is fundamentally, when they allocate money, there are two sides to the system and below that there are administrators doing it here. Now how many levels of competition, we're not qualified to be looking at fixing, changing, shoving around programs. We do it when someone here comes to us. I'm on the academic and student affairs committees and I said at one of our phone calls that I would have a jaundiced eye for any new programs We've been very forgiving because we keep spreading things out, so we shouldn't be doing level 2 changes all the time, There can't be that much new stuff that we have to do every single year. I love academics; I love school but every time I get a new academic program with no new cost attached, it doesn't apply. Someone in another department

is paying for that. Someone will be teaching more hours for less money. I'm thinking it should be a zero-sum game. You add something, you have to take something away to a point.

FS Guest: How resource allocations are done, here, are savaging some of the programs. It creates competition among department. Some of these models, especially head count models, provide a type of competition that is easy to gain without any positive outcomes fro students. Even the reallocation model we have creates competition among colleges where some colleges are taking money from others. We have data that compares this to peer cohorts so we have away to do this that normalize a typical performance to integrate across the campus.

FS Guest: Programs to attract students usually involve interdisciplinary ones so any time you encourage collaboration between colleges or faculty....

SB: I don't know we will be doing that and if we do, shame on us. So anyone who does things that inhibits cooperation.....

FS Guest: It's already done here. I know some department heads have failed to sign off on external grants because it might shift teaching credit hours to another college. So faculty innovation and grant writing that bring in extra money was essentially....

SB: So what is the checks and balances for that? How do we then try to deal with people acting in a human way within the system?

FS Guest: Anger, fury.....

FS Guest: We are not re-inventing the wheel. Some of the best institutions in the country have backed off this kind of thing. May dabbled in it and it was destroying their universities. The only one I know is Texas..the A&M system. I think you have to get a national pulse on this.

Lansverk: Todd has another meeting to get to.

FS Guest: Start with what you are trying to accomplish and what you have implemented. Is it doing it or not.....we need an assessment mechanism. We need to assess it and ask if it is working as planned or not? If it isn't working, pull the plug.

TB: I think we've already said that. The strongest intention is to include the people most affected by it. I am hearing research and that we need to reward our best faculty. We want your input and I love it when Marvin brings your ideas to the table.

At the end of this discussion, Chair Lansverk thanked both Regents for taking time to meet with Faculty Senate for this discussion.

The Faculty Senate meeting ended at 5:42 PM, as there was no further business.

Signature

Marvin Lansverk, Chair

Signature

Gale R. Gough, Secretary