ACADEMIC BUDGET PRIORITIZATION IN A SHARED GOVERNANCE UNIVERSITY
SCUP-48

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SESSION OUTLINE

- Learning outcomes and introduction to Minnesota State University, Mankato
- Budget history and impetus for reduction/prioritization
- History of shared governance culture
- Foundational process assumptions and program evaluation metric development
- Reduction/prioritization process and timeline
- Small group discussion: Metrics for academic and budget planning, process, and timeline
- Key lessons learned
- Resources and references
- Questions
LEARNING OUTCOMES

 Examine an academic program and budget prioritization process, metrics, and timeline.
 Identify academic program evaluation metrics that are reflective of institutional mission and values.
 Discuss lessons learned and vital strategies for improving future academic program and budget prioritization processes.
 Recognize how components of the academic program and budget prioritization process presented may be adapted to your campus.
Minnesota State University, Mankato

Vision
- Minnesota State University, Mankato will be known as a university where people expect to go further than they thought possible by combining knowledge and the passion to achieve great things.

Mission
- Minnesota State University, Mankato promotes learning through effective undergraduate and graduate teaching, scholarship, and research in service to the state, the region and the global community.

Values
- Integrity, Diversity, Access, Responsibility, Excellence
SHARED GOVERNANCE CULTURE

- Transparency
- Communication
- Participation
FY12-13 Outlook

- Estimated State budget gap of $5.8 to $7 billion
  - Gap approximately 15% - 22% of State General Fund Budget

- MSU FY11 appropriation approx. $45M
  - 20% reduction equals approximately $9M
  - $9M equates to 13% tuition increase

- Estimate 5% tuition to approximately offset inflation costs
FY12 Outlook

- Planned reductions at 15% - 22% of appropriation
- Results in spending reductions of $6M to $10M
- University prepared an $8M reduction plan - $6M from Academic Affairs
BUDGET PLANNING BACKGROUND

- $6M in base reductions from FY09 budget
- $2.4M in ARRA (stimulus) Funds - Fall 2009-Spring 2011
  - Academic Affairs bridge funding
  - BESI (retirement incentive) funding
    - Offered only to programs targeted for reductions
FOUNDATIONAL PROCESS ASSUMPTIONS

- Respect shared governance
- Follow the bargaining agreement ("contract")
- Recognize the limits as to how far shared governance could go
- Be transparent
- Honor and mourn
PROGRAM METRIC DEVELOPMENT

How to measure …
- Mission-Centrality?
- Cost?
- Enrollment?
- Quality?
- Employability?
Process & Timeline 1

- Drafts, meetings, and more drafts!
- Consultation process:
  - Faculty
  - Staff
  - Students
  - Administration
  - System office
  - Sibling campuses
PROCESS & TIMELINES 2

- Contractual requirements regarding the calendar and notifications
- Need to be proactive!
- Legislative calendar
- Minnesota State Colleges and Universities Board of Trustees calendar
Declarative vs. iterative processes (“here’s how it’s going to be” vs. “what do you think?”)

Start with the most objective and quantitative data, then “fine tune” the decisions with increasingly more subjective and more qualitative data.
Process & Timelines 4

- Iterative process examples:
  - Step 1: binary and wholly objective
  - Step 2: readily available quantitative data, e.g.:
    - MNSCU cost study
    - “Data Book”
  - Step 4: localized, subjective criteria on “quality”:
    - Program accreditations
    - Publication records
    - National awards
## Program Evaluation Metrics

### Metric C
Analysis of SCH per FTE AY07-08

<table>
<thead>
<tr>
<th>Department</th>
<th>Actual AY07-08</th>
<th>Rating</th>
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<tbody>
<tr>
<td>Family Con Sci</td>
<td>874</td>
<td>+</td>
</tr>
<tr>
<td>Math</td>
<td>866</td>
<td>+</td>
</tr>
<tr>
<td>Sociology and Corrections</td>
<td>854</td>
<td>+</td>
</tr>
<tr>
<td>Geography</td>
<td>849</td>
<td>+</td>
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<tr>
<td>Mass Comm</td>
<td>836</td>
<td>+</td>
</tr>
<tr>
<td>Economics</td>
<td>834</td>
<td>+</td>
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<tr>
<td>Health Science</td>
<td>793</td>
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<tr>
<td>Psychology</td>
<td>770</td>
<td>+</td>
</tr>
<tr>
<td>Rec Park Leisure Services</td>
<td>742</td>
<td>+</td>
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25% above mean

### Metric E
MSU Program Growth 2003-2008

<table>
<thead>
<tr>
<th>Program/Department</th>
<th>SCH/FTE 2003-04</th>
<th>SCH/FTE 2007-08</th>
<th>Change</th>
<th>Rating (+/ - 2% = 0)</th>
<th>Notes</th>
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<tr>
<td>CAHN Dental Hygiene</td>
<td>270</td>
<td>350</td>
<td>29.6%</td>
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<tr>
<td>Family Consumer Science</td>
<td>898</td>
<td>874</td>
<td>-2.7%</td>
<td>-</td>
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<tr>
<td>Health Science</td>
<td>806</td>
<td>793</td>
<td>-1.6%</td>
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<td>Human Performance</td>
<td>533</td>
<td>516</td>
<td>-3.2%</td>
<td>-</td>
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<td>Nursing</td>
<td>249</td>
<td>228</td>
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<tr>
<td>Rec Park Leisure Services</td>
<td>803</td>
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<td>-7.6%</td>
<td>-</td>
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<tr>
<td>Speech Hearing Rehab</td>
<td>473</td>
<td>568</td>
<td>20.1%</td>
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## Program Metric Development

### Program Metric Matrix 2010

#### Step 2. Program Evaluation in Terms of Cost Enrollment

<table>
<thead>
<tr>
<th>Program</th>
<th>Cost</th>
<th>Enrollment</th>
<th>Category</th>
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<tbody>
<tr>
<td></td>
<td>In MNSCU</td>
<td>$ SCH/FTE</td>
<td>SCH/FTEF</td>
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<tr>
<td>Accounting BS</td>
<td>+</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Alcohol and Drug</td>
<td>0</td>
<td>+</td>
<td>+</td>
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### Program Reductions All Factors Matrix 2010

#### Step 4. Final Determinations on Cost, Enrollment, Quality, Mission, and Employability

<table>
<thead>
<tr>
<th>Program</th>
<th>Orig Cat</th>
<th>Rev Cat</th>
<th>Total FTE Reduction needed</th>
<th>Planned Cuts</th>
<th>Further Cuts</th>
<th>Notes</th>
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<tr>
<td>Manuf Eng Tech</td>
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<td>2.b.</td>
<td>1 FTE</td>
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<td>1</td>
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<tr>
<td>BS</td>
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<td>2.b.</td>
<td></td>
<td></td>
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<tr>
<td>MS</td>
<td>2.b.</td>
<td>2.b.</td>
<td></td>
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<tr>
<td>Marketing BS</td>
<td>2.b.</td>
<td>2.b.</td>
<td>3 FTE</td>
<td>0</td>
<td>3</td>
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</tr>
<tr>
<td>Mass Comm</td>
<td>2.a.</td>
<td>2.a.</td>
<td>1 FTE</td>
<td>0</td>
<td>1</td>
<td></td>
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<tr>
<td>BA/BS Journ</td>
<td>2.c.</td>
<td>2.c.</td>
<td>None</td>
<td>0</td>
<td>0</td>
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<tr>
<td>BA/BS PR</td>
<td>2.c.</td>
<td>2.c.</td>
<td>None</td>
<td>0</td>
<td>0</td>
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<tr>
<td>BA/BS Media St</td>
<td>2.c.</td>
<td>2.c.</td>
<td>None</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Gen Ed (LD)</td>
<td>2.c.</td>
<td>2.c.</td>
<td>None</td>
<td>0</td>
<td>0</td>
<td></td>
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</tbody>
</table>
TIMELINES

- Announced consideration of retrenchment – Oct 2009
- Academic program metrics – Dec 2009
- Academic program decisions – Feb 2010
- Non-academic program draft decisions – July 2010
- Tenured faculty retrenched notification – Aug 2010
- Non-academic final decisions – Sept 2010
DISCUSSION PROMPTS

- What evaluation metrics are missing? What evaluation metrics are unnecessary?
- What additional, different or weighted metrics would be important considering your institutional mission and values?
- What are the process strengths and weaknesses? How would you amend the process and timeline?

Metrics utilized:
- Mission-Centrality
- Cost
- Enrollment
- Quality
- Employability
**Key Lessons Learned**

- **Provost/Presidential Perspective**
  - Proactive actions
  - Lasting implications

- **Faculty Association Perspective**
  - We don’t want to go through it again
  - Contract changes
  - It “ain’t” over yet

- **Finance and Administration Perspective**
  - Metrics for reduction ≠ Metrics for addition

- **Institutional Research Perspective**
  - Utilization of data for decision-making
ADDITIONAL RESOURCES/REFERENCES: MATERIALS POSTED TO CONFERENCE SITE

- Program Metric Guidelines
- Program Evaluation Matrix – Cost and Enrollment
- Program Evaluation Matrix – All Factors
- Program Metric Rating Categorization Memo
- Program Metrics FAQ
- Program Reduction and Elimination FAQ
- Program Metric Spreadsheets
ADDITIONAL RESOURCES/REFERENCES: NATIONAL/MEDIA COVERAGE


Questions?

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