



# 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



## PROCESS & TIMELINES 3

- 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

Department	Actual AY07-08	Rating	
Family Con Sci	874	+	
Math	866	+	
Sociology and Corrections	854	+	
Geography	849	+	
Mass Comm	836	+	
Economics	834	+	
Health Science	793	+	
Psychology	770	+	
Rec Park Leisure	742	+	25% above mean

-- Metric E --

MSU Program Growth 2003-2008

Program/Department	SCH/FTE 2003-04	SCH/FTE 2007-08	Change	Rating (+/- 2% = 0)	Notes
CAHN Dental Hygiene	270	350	29.6%	+	
Family Consumer Science	898	874	-2.7%	-	
Health Science	806	793	-1.6%	0	
Human Performance	533	516	-3.2%	-	
Nursing	249	228	-8.4%	-	
Rec Park Leisure Services	803	742	-7.6%	-	
Speech Hearing Rehab	473	568	20.1%	+	



# PROGRAM METRIC DEVELOPMENT

Program Metric Matrix 2010

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

Reference Sheet	A1 A2 A3	B1 B2 B3	C	D1 D2	E	F
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Program	Cost		Enrollment				Man	Notes
	In MN\$	SCH/FTE	SCH/FTE	Majors	Growth	Sustained		
Accounting BS	+	0	0	+	0	+	2.b.	CIP 5203
Alcohol and Drug	0	+	+	-	0	+	2.b.	CIP 511504

## Program Reductions All Factors Matrix 2010

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

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



# 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  $\neq$  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

- Pelletier, S. (2011). Rational retrenchment: Are there productive ways to approach budget cutting? Public Purpose, 6 (3): 2-5. At: [http://www.aascu.org/uploadedFiles/AASCU/Content/Root/MediaAndPublications/PublicPurposeMagazines/Issue/11spring\\_rational.pdf](http://www.aascu.org/uploadedFiles/AASCU/Content/Root/MediaAndPublications/PublicPurposeMagazines/Issue/11spring_rational.pdf)
- Glenn, D., and Schmidt, P. (2010, March 28). Disappearing disciplines: Degree programs fight for their lives. The Chronicle of Higher Education, pp. A1, A8-A11. At: <http://uff-fsu.org/oldsite/art/che20100328.pdf>
- Post, T. (2010, March 30). Colleges cut program, staff. News report on statewide Minnesota Public Radio. At: <http://minnesota.publicradio.org/display/web/2010/03/30/higher-education-budget-woes/>



# QUESTIONS?

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