

Academic Planning Committee
April 5, 2017 Minutes

Present: Bloom, Busch, Correas, Farrell, Franke-Schubert, Hinchman, Marron, Nunez, Plowman, Simpson, Sollars, Trainin, Wagner, White, Zach

Absent: Boehm, Delserone, Goddard

Guests: VC Jackson

Note: These are not verbatim minutes. They are a summary of the discussions at the Academic Planning Committee meeting as corrected by those participating.

1.0 CALL

Wagner called the meeting to order at 3:00 p.m. He welcomed new ASUN President Joe Zach to the APC.

2.0 Approval of March 15, 2017 Minutes

Nunez and Bloom noted changes to the minutes. Nunez moved for approval of the minutes as revised. Motion seconded by Correas and approved with one abstention.

3.0 APC Chair Selection

Wagner reported that Vice Chair and Chair-Elect Simpson has accepted a chair position at North Carolina State University. Consequently, the Committee no longer has a chair for next year. He asked if anyone is interested in serving as chair to please send him an email before the next meeting. He noted that if there are multiple volunteers, an election will be held. Correas nominated Trainin as chair.

4.0 Report from Budget Model Task Force

Plowman reported that the Budget Model task force was charged by the Chancellor to look at different ways to allocate the resources on campus. She stated that the current budget model system is the Central Administration Management (CAM) where tuition revenue and the state appropriations flow to the University's Central Administration which then allocates the funds to the four campuses. She noted that UNL has received 52% of the funds in the past, but this could change this year. She stated that once the campus receives the funds the Chancellor and VC of Business & Finance have used the same CAM model system. Every unit received the same amount as the previous year with the addition of funds to cover salary increases.

Plowman stated that the CAM model does have some advantages because it allows the administrators to decide how they want to allocate funds, and any remaining funds can be used for strategic investments. The downside is that the process is not overly transparent.

Plowman stated that the task force looked at a different budget model, the Responsibility-Based Management (RCM). She reported that in this model framework formulas are developed to govern the flow of funds directly to the units. She stated that funds are aligned with the goals of the enterprise. This would give units incentives to achieve the campus goals such as improved graduation rates, increased enrollment etc.

Plowman reported that one of the negativities of the RCM model is that it can set up competition between units. She also pointed out that some colleges aren't able to grow, thus this model could disadvantage them. So weights would have to be built into the metrics that are used to determine how much each unit receives. She stated that the metrics used will need to be agreed upon. She noted that an advantage of the RCM model is that it is more transparent.

Plowman stated that the task force feels UNL should have a model that will enable the units to know what the organization's goals are and to align their behavior around the goals. If units are serious about increasing enrollments or graduation rates they should be rewarded. She stated that the RCM model holds units responsible for their costs creating incentives to keep costs down and to increase revenue. She pointed out that what has to be considered are the non-revenue-generating units and budgeting for these units. One example is the University Libraries where revenue isn't generated, but everyone at a university wants a great library.

Plowman stated that the Chancellor wants a more transparent model and he is aware of the current weaknesses of RCM. She reported that the idea is to look at other universities who have gone to a RCM model to see what mistakes they made so we can avoid them. She stated that the task force is going to recommend a hybrid model of the RCM which would leave some money for the Chancellor and other administrative offices, but be able to reward those units that are making improvements.

Wagner stated that he has some real concerns with the RCM model because it can cause units to focus on cannibalizing students from other units and investments can be delayed because units are striving to be more efficient. It also implies that our primary value is financial efficiency rather than academic quality. Plowman stated that these are reasons why we would want a hybrid model and that goals would need to be incorporated that focus on quality. She pointed out that our current budget model does not promote quality. She stated that the belief is that we need a system that incentivizes new programs. She noted that if we continue with the current budget model we would not get the funds to add new faculty members. Wagner stated that it would be better to include quality

in the metrics. He pointed out that quality metrics are different for each unit and needs to be determined by the faculty.

Correas asked how the RCM model would enhance the research mission of the university. Plowman stated that the RCM model would give deans the opportunity to make decisions in their colleges. They could rearrange the budget to free up some resources that would allow them to add more tenured faculty members for doctoral programs and puts decision making more at the unit level. Wagner pointed out that if the metrics are based on revenues and costs it incentivizes the hiring of lecturers, but if metrics based on quality are used it would create an incentive to hire tenure-track faculty members. Bloom stated that if a quality metric is academic excellence then units should be rewarded for that excellence regardless of what size they are.

Correas stated that if a professor with a strong research record was hired money could be raised through the indirect costs of his grant money. Plowman pointed out that F & A money is another area that would need to be addressed.

Plowman stated that currently resources are stuck in departments and does not allow deans to make investments in other areas. She noted that going to a different budget model is a major change and it will not be done lightly. She also suggested that the campus may move towards an RCM model but not completely.

Bloom asked what the next step would be. Plowman stated that the task force will make a recommendation to the Chancellor who will probably form a small implementation group that would propose a couple of different models. She pointed out that metrics would need to be determined and the model would need to be carefully reviewed to see how it would really work. She stated that if a particular model were chosen, it would need to be implemented over a period of a year simultaneously with the current system. Plowman noted that IANR is more organized like an RCM model. Their tuition dollars flow directly to the units.

Trainin stated that while there are criticisms of the RCM model, there is a lot of frustration in some units because there are no incentives to grow or recruit someone unless indirect costs can be obtained. He pointed out that there are some units that have the capacity to grow, but cannot because of the current budget model being used.

Farrell stated that there is tension between having financial metrics and quality metrics. He suggested that there should be a role for shared governance units to help determine what the metrics are. Plowman agreed and stated that each unit, down to the department level, needs to decide

what quality metrics should be used. Wagner suggested that comparisons to quality benchmarks and proportional improvement in quality metrics could be used.

Franke-Schubert stated that interdisciplinary research brings in a lot of money and is the direction that research is going. She asked how funding for interdisciplinary efforts would work. Plowman stated that this is another complexity that would need to be considered because we do not want to discourage this kind of research.

5.0

Report from Achieving Distinction Task Force

Simpson reported that the Achieving Distinction task force had a very difficult task to address for the Chancellor. She stated that the task force met about a dozen times and had a series of conversations focused on what was considered distinction, what stood out about distinctive universities, what process would be needed for UNL to get there, and how distinction would be integrated with the university's mission and obligation to stakeholders.

Simpson stated that the process would need to involve an inclusive and collaborative effort by a lot of people and be based on credible claims of performance. The indicators that are used for evidence varies for each of the units, and each unit needs to state what their distinction is or should be. She stated that discussion led to the history of the Programs of Excellence, which program received the most funding and what has happened with the program.

Simpson reported that there were thematic areas of studies that have six things associated with them, one of which are the grand challenges facing Nebraska and the world and that would be integrated into the entire mission. She pointed out that this would involve multi-disciplinary areas developed within the university. She stated that there needs to be discussion with the multiple layers of the university and infrastructure needs to exist in order to allow the resources to be best utilized.

Simpson noted that Nebraskans are very humble and don't always promote the work they have been doing, but the work needs to be publicized well so we can show what we are already distinctive at.

Simpson stated that for the strategic plan the process needs to be data driven, and the task force feels that there is sufficient data available. She stated that in a reputation survey to see what people think of the University, focus groups clearly identified that the people here all care and work together. She stated that the question is how do we become distinctive with the fact that we work so well together and respect each other, and this needs to be infused through the data on the reputation of the

university. She stated that an additional survey should be developed to send out to current faculty, students, and alumni about what makes us distinctive and what they want people to say about the university.

Bloom pointed out that what is implicit in this information is that the faculty have to deliver all of the distinction and it should be the faculty who define distinction. He stated that there can be some themes of distinction, but not all sectors will fit into the grand themes yet they are still an essential component of the university. Simpson agreed that the definition needs to be faculty driven. She reported that the Big Ten schools were examined to see what they are considered distinctive for, and most seemed to have disciplines with programs that are distinctive. She stated that we are very inclusive at UNL and it might be why people are engaged. She stated that the “superstar model” is not tenable here.

Simpson reported that the task force has created a white paper.

6.0 Proposal to Establish a Master of Science Program in Business Analytics in the College of Business

Wagner called for volunteers to serve on a subcommittee to review the proposal. Marron and Trainin volunteered.

7.0 Proposal to Establish a Master of Science Program in Finance in the College of Business

Marron and Trainin volunteered to serve on the subcommittee to review the proposal.

8.0 Reports from EVC of Academic Affairs, VC of IANR, Interim VC of Research and Economic Development

Plowman reported that work continues on the budget and the campus was finally notified of the exact amount of this fiscal year’s shortfall which amounts to \$7.5 million. She stated that the hiring freeze and other measures are helping us to deal with the shortfall so that most people will not feel an impact. She stated that the total amount of shortfall for the University is \$13.5 million. UNMC’s portion of the shortfall is \$5 million and Central Administration’s is \$800,000. She noted that UNK and UNO were not charged with a shortfall due to their small budgets.

Plowman stated that we still do not know what the cuts will be to our permanent budget. She stated that the administrators are starting to think about a worst cases scenario for the next biennium and will be asking the deans to consider where we could start making cuts without touching the faculty. She noted that these considerations will take place during the summer and the Chancellor will bring suggestions forward in the fall when the Procedures to be invoked for Significant Budget Reductions begins.

9.0

Other Business

Nunez reported that the Chancellor has approved the proposed revisions to the UNL Bylaws and has passed them on to President Bounds. He noted that General Counsel will review the proposed changes and the revised Bylaws should be on the Board of Regents agenda in June.