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Design Team Academic Reorganization Proposal to the President of the University of Southern Maine

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1. Introduction

This proposal is the result of the deliberations of the University of Southern Maine Reorganization Design Team: Executive Director of Public Affairs Robert S. Caswell, Professor Bruce Clary of Public Policy and Management, Provost and Vice President for Academic Affairs Dr. Kate L. Forhan, Professor of Professional Education Lynne Miller, Vice President for Human Resources and Senior Advisor to the President Judith Ryan, Chief Operating Officer and USM School of Business Dean James B. Shaffer (Chair), Special Assistant for Planning and Project Development Dr. Timothy Stevens, and Associate Professor of Classics Jeannine D. Uzzi. Information contained in appendices concerning economic matters is provided by the administration and should not be considered as part of the work of the Design Team. All members of the Design Team unanimously endorse the college structure as represented in the figure on page 5.

1.1 Reorganization Context

The University of Southern Maine's academic reorganization takes place as public higher education funding by the State of Maine undergoes an historic shift, presenting our state's public universities with new fiscal challenges as they seek to ensure the integrity of their academic enterprises and to preserve students' access to a quality education. The University of Maine System has responded by developing the New Challenges, New Directions Initiative. Its three "core goals" are to:

- Serve the changing and evolving knowledge, research, public service, and educational needs of the people, businesses, and organizations of the state.
- Keep the cost of baccalaureate and graduate education affordable for our students by moderating tuition increases.
- Implement efficiencies, organizational changes, and further economies of scale to bring spending in line with available resources. (University of Maine System and the Future of Maine, Nov. 16, 2009: 2)

The University of Southern Maine's reorganization effort responds not only to the System's goals but also to a long-term structural deficit that makes its reorganization a necessity in order to protect the university's academic integrity and pursuit of its mission while achieving fiscal sustainability.

1.2 Reorganization Process

President Selma Botman began the reorganization process during the spring 2009 semester when she commissioned a “conversation-starter” white paper from a task force that included Deans John Wright (School of Applied Science, Engineering, and Technology), Devinder Malhotra (College of Arts and Sciences), Brian Toy (Interim, College of Nursing and Health Professions), and Betty Lou Whitford (College of Education and Human Development) as well as Associate Vice President for Academic Affairs Susan Campbell. Chaired by Dean Wright, the task force worked through the summer, issuing its report on August 28, 2009.

In order to spur discussion of that report during the fall 2009 semester, President Botman held Town Meetings on all three USM campuses and an All-Faculty Meeting on the Portland campus, in addition to five more, smaller faculty meetings through the end of the semester. After considering a wide range of comments received over this period, President Botman responded by designing a comprehensive process for broad university participation in the reorganization process. Two professionally facilitated convocations were held on January 28th and February 11th-12th, resulting in additional and significant community input. In particular, at the end of the February 11th-12th convocation there was an informal “dot vote” exercise. The top vote recipient was a collection of session reports calling for an academic infrastructure that encourages cross-disciplinary collaboration among colleges, schools, departments, and faculty members. Included in these recommendations were:

- Interdepartmental college/school collaboration focused on the Core Curriculum
- Faculties replacing departments and colleges as administrative units
- Faculties cutting across organizational bodies
- Use of the Open Space Technology conferencing technique to facilitate faculty self-design.

The Design Team—including three members selected from the Faculty Senate (Professors Bruce Clary, Lynne Miller, and Jeannine D. Uzzi), Provost and Vice President for Academic Affairs Dr. Kate L. Forhan, Chief Operating Officer and Dean of the School of Business James B. Shaffer (Chair), Vice President of Human Resources and Planning Judith Ryan, Executive Director of Public Affairs Robert S. Caswell, and Special Assistant to the President for Planning and Project Development Dr. Timothy Stevens—met for six sessions, four with professional

facilitator Dee Kelsey from Great Meetings! Inc., and worked collaboratively on a draft reorganization proposal to be submitted to President Botman and distributed to the USM community for further discussion on March 1st. The Design Team met to consider community comment and to revise the first draft in four additional sessions, once again facilitated by Dee Kelsey. After President Botman receives this Team's finalized proposal on March 19th, she will solicit comments from the community; make further revisions, as necessary; submit her proposal to the Faculty Senate at sessions on April 2nd and 16th; and then forward a final, comprehensive reorganization proposal to the University of Maine System Chancellor and Board of Trustees for discussion and approval at the May 23rd-24th Board meeting. Implementation will begin upon Board approval. Planning for the implementation process is not part of the charge to the Design Team and will proceed through a separately developed process.

1.3 Reorganization Rationale

The University of Southern Maine has an opportunity to rethink its academic enterprise in ways that ensure its fiscal sustainability, multiply opportunities for collaboration between as well as among its colleges, and enhance the quality of its academic programs. As Maine's only public regional comprehensive university, the University of Southern Maine "provides a transformative educational experience for its students; makes significant contributions to knowledge through scholarship, research, and creative endeavor; and plays a pivotal role in helping central and southern Maine fulfill their economic, social, and cultural aspirations" (Preparing USM for the Future, June 11, 2009:4). With the goal of building a forward-looking, agile, and dynamic 21st-century university, the USM Reorganization Design Team proposes a five-college model that integrates academic units within the university's various colleges and provides opportunities for collaboration across and within them.

CONNECTIONS ACROSS AND WITHIN THE FOUR COLLEGES

Commitment to Student Success

The Core Curriculum

Theory & Practice

Liberal Education & the Professions

Research, Scholarship & Creative Work

Preparation of Maine's Teachers & Civic Leaders

Maintenance of Accredited Professional Programs

Undergraduate and Graduate Studies

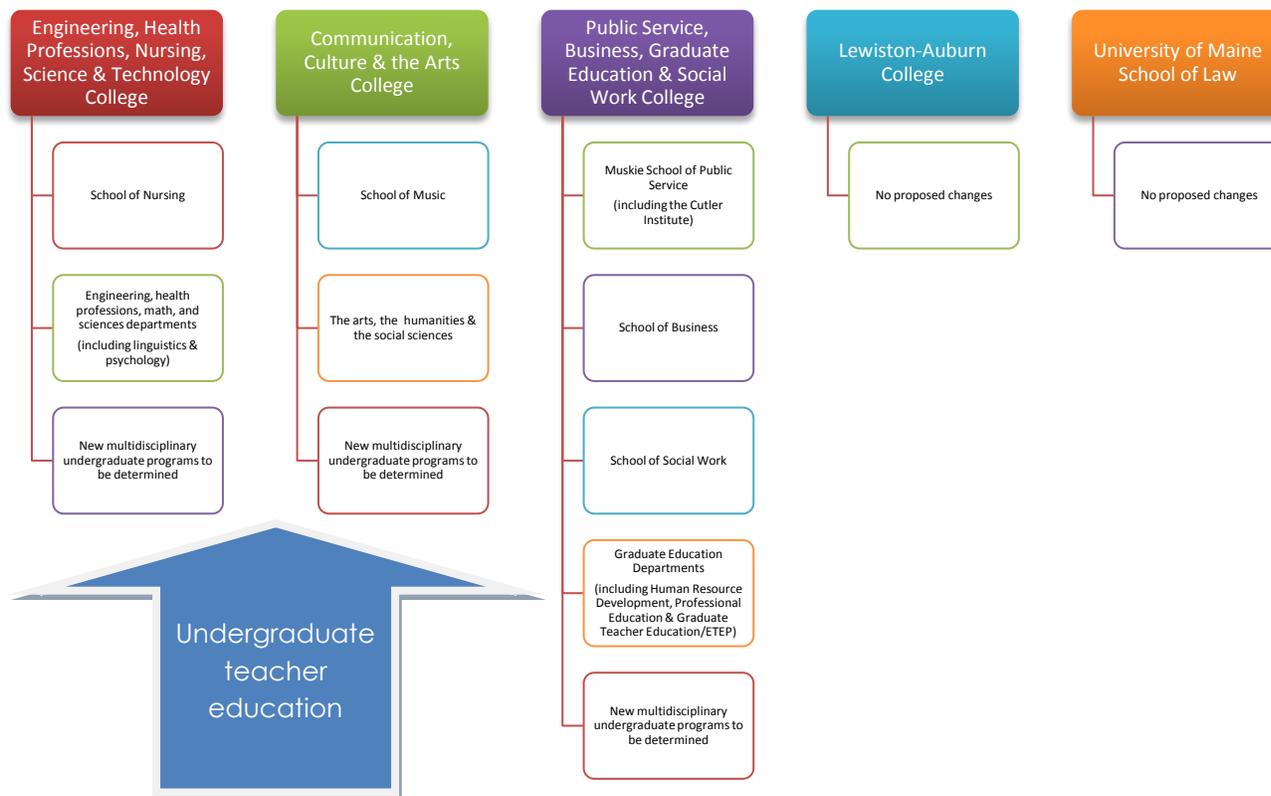
This proposal for reorganization not only supports disciplinary excellence but also advocates fluidity between and among the disciplines and the colleges, facilitating faculty efforts to draw on the university's collective intellectual capital in order to develop successful programmatic responses to emerging intellectual challenges and workforce needs. Certainly, the proposed five-college model delivers significant structural budgetary savings through strategic centralization of academic service functions and cost-effective administrative structures that allow for economies of scale throughout the university. More importantly, however, it provides new levels of institutional flexibility that are essential if the university is to emerge from this reorganization process better positioned for growth, expansion of its faculty ranks after years of decline, and development of exciting new programs that respond to the needs of students and the demands of our state and nation.

The Design Team offers a model that draws upon the principles of shared governance, organizational self-design, and participatory management. The internal structure of each newly proposed college will arise from facilitated conversations with faculty in that college, in keeping with administrative, academic, and contractual principles. The results of this proposed reorganization plan are premised on a culture of responsibility, accountability,

collegiality, and transparency. Both faculty and administration are partners in the development and promotion of a 21st-century university that helps our students realize their aspirations, that provides the educated workforce that our state's economy requires, and that empowers our faculty in their pursuit of knowledge and professional distinction. As President Botman pointed out in her 2009 Opening Breakfast remarks, the opportunity to remake a university ordinarily occurs only once in every two or three generations. The Design Team offers a model that could serve this university well into the future.

2. Proposed Five-College Structure

The Design Team recommends the adoption of a five-college structure for the university that brings together the faculty in groupings that are both academically rich and synergistic (see Appendix A for distribution of existing departments across the proposed new colleges).¹ Centers and institutes will move with their associated departments or faculties. The University of Maine School of Law and Lewiston-Auburn College retain their deans, but the proposed model anticipates increased collaboration across all five colleges.



¹ All names of colleges and their sub-units are descriptive placeholders.

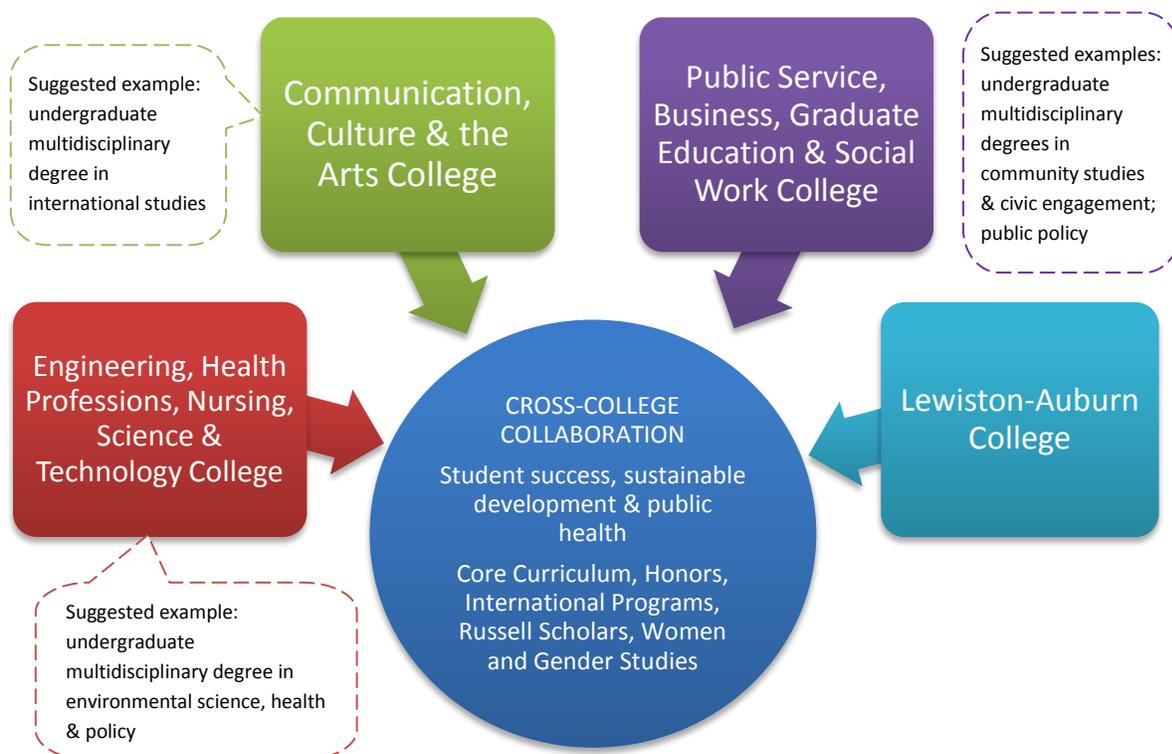
A compelling thematic focus underlying the organizational structure of each proposed new college will play an important role in its evolving mission and encourage the development of compelling new programs. The engineering, health professions, nursing, science and technology college weaves nursing and the health professions with the sciences, in part, because of the close relationship between strong science preparation and student success in the health and nursing fields. Strength in environmental science, as well as engineering and technology, and a commitment to community and public health issues provide substantial areas for future collaboration within this proposed college. Organized around nursing, health, and the sciences—now including both linguistics and psychology—a college composed of departments involved in both theory and its application would enhance student success for nursing and health professions students while also proving attractive to external funders seeking to support either pure or applied research across these disciplinary areas.

The proposed communication, culture, and the arts college demonstrates the university's sustained commitment to liberal education and excellence in teaching, scholarship, and creative work within the liberal arts. It preserves the strong interdisciplinary links between programs and faculty in the humanities and the social sciences while further highlighting the School of Music and the other visual and performing arts. Such a college would also be a logical location for exciting new interdisciplinary programs designed to provide students a rigorous grounding in the liberal arts.

Finally, the proposed public service, business, graduate education, and social work college would have a distinctive focus on preparation for a range of professional areas on both the undergraduate and graduate levels. This college culture will be highly attuned and sensitive to connecting its programs in the public mind with excellence in business, graduate education, and public administration studies. New multidisciplinary undergraduate programs, such as one suggested by the Muskie School of Public Service in public policy, could provide a liberal arts-based educational experience for students aspiring to careers in public service or further graduate studies.

This model exhibits an interplay of theory and practice, sustains the liberal education of students preparing for the professions, and provides for both undergraduate and graduate-level study. Responsibility for implementation of the general education Core Curriculum becomes a college-level, rather than a departmental, responsibility. This new university-wide commitment should spur

curricular development by and involvement of more faculty within four of these five colleges. The distribution of faculty and programs under this proposal should increase the opportunities for collaborative research and external funding by integrating the disciplinary and programmatic strengths of the university into a coherent, cost-effective superstructure that will strengthen and focus research, scholarship, and creative work not only within each college but also across the university.



This proposal is also designed to achieve greater equity among the colleges with respect to number of faculty members, distribution of student credit hours, and administrative support.² This proposal does not consider relocation of faculties or facilities. However, most importantly, the streamlining of USM's academic superstructure will support student success through facilitated implementation of the Core, increased opportunities for learning, greater coordination of academic pathways, and more opportunities for multidisciplinary, and interdisciplinary efforts.

The structure of colleges and their sub-units provides flexibility in creating schools, institutes, centers, or other appropriate units that can be separately

² The Design Team projects reallocation of some current administrative support personnel during the implementation phase of reorganization.

branded and/or institutionally distinguished for purposes of naming, fund raising, accreditation, or functional efficiency. For example, the university can still maintain a School of Business with boundaries suitable for accreditation by the Association to Advance Collegiate Schools of Business or a School of Music within the proposed College of Communications, Culture, and the Arts. Likewise, the Muskie School of Public Service could maintain the boundaries necessary for the accreditation of its graduate programs. The University of Southern Maine places great value on its accredited programs. This proposal reasserts the university's commitment to these accreditation processes and the deployment of institutional resources in support of their maintenance.

The Office of the Provost will continue to oversee programs that lie outside the proposed colleges, such as Women and Gender Studies, Russell Scholars, and the Honors Program, as well as the Core Curriculum.

3. The Economic Rationale for the Proposed Five-College Structure

While there are compelling academic and student success-related advantages to the proposed five-college model, there is also a profound fiscal impetus for reorganization at this time. The University of Maine System projects that the University of Southern Maine will face continued and growing budget gaps through, at least, the 2013-2014 academic year (see Appendix B). Basically, the System predicts that the state appropriation will decline over this period while the cost of salaries and, particularly, benefits will grow at a rate that outpaces the expected growth of student credit hours (SCHs) and tuition revenues. In short, USM has a growing long-term economic problem and needs to adopt long-term solutions (see Appendix C).

4. Next Steps

After the scheduled release of the final draft of this proposal on Friday, March 19th and its simultaneous posting to the university's website, another period for community response and comment solicited by President Botman will continue through her submission of a proposal to the Faculty Senate at meetings on April 2 and April 16. After the Faculty Senate's deliberations, President Botman will submit a final, comprehensive reorganization proposal to the Board of Trustees by April 24th for discussion and approval at the Board's May 23rd-24th meeting. Implementation will begin immediately after the Board's approval (see Appendix D for complete timeline of this process).

5. Appendices

5.1 Appendix A: Proposed distribution of **existing** units across the three new colleges

Engineering, Health Professions, Nursing, Science & Technology College	Communication, Culture & the Arts	Public Service, Business, Graduate Education & Social Work College
<ul style="list-style-type: none"> •Applied Medical Sciences •Biology •Chemistry •Computer Science •Exercise Health & Sport Sciences •Engineering •Environmental Science •Geosciences •Linguistics •Mathematics & Statistics •Nursing •Physics •Psychology •Recreation/Leisure •Technology 	<ul style="list-style-type: none"> •American & New England Studies •Art •Communication & Media Studies •Criminology •Economics •English (including the Stonecoast MFA in Creative Writing) •Geography & Anthropology •History •Modern & Classical Languages & Literatures •Music •Philosophy •Political Science •Sociology •Theatre 	<ul style="list-style-type: none"> •Accounting & Finance •Business Administration •Community Planning & Development •Cutler Institute •Health Policy & Management •Human Resource Development •Professional Education •Public Policy & Management •Social Work •Teacher Education (including all graduate programs such as ETEP)

Note: Existing units within each proposed new college will reorganize themselves during the implementation stage that follows Board of Trustees approval. Departmental or faculty groupings will be organized through facilitated conversations involving the faculty and the administration.

Centers and institutes will move into the proposed new colleges with their associated units or faculties.

5.2 Appendix B: Projected University of Southern Maine revenues and expenditures

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - Version A
UNRESTRICTED OPERATIONS (E&G, Auxiliary, Designated)
(\$ in Millions)
USM TOTAL

	PROJECTIONS							
	FY11	%	FY12	%	FY13	%	FY14	%
Credit Hour Generation	211,121	-0.1%	211,951	0.4%	212,793	0.4%	213,646	0.4%
Operating Revenue								
Tuition Revenue	\$66.3	4.9%	\$69.6	5.0%	\$73.0	4.9%	\$76.6	4.9%
Fee Revenue	10.5	4.0%	10.9	3.8%	11.3	3.7%	11.6	2.7%
Dining & Residence Revenue	14.3	2.9%	14.6	2.1%	15.0	2.7%	15.5	3.3%
Tuition Waivers/Scholarships	(7.5)	5.6%	(7.9)	5.3%	(8.3)	5.1%	(8.7)	4.8%
Net Student Charges Revenue	83.6	4.4%	87.2	4.3%	91.0	4.4%	95.0	4.4%
State Appropriation	41.1	-1.4%	40.6	-1.2%	40.0	-1.5%	39.9	-0.3%
State Stabilization-ARRA	1.5	-31.8%	0.0	-	0.0	-	0.0	-
Other Revenues (interest, ICR, etc.)	14.7	0.7%	14.8	0.7%	14.9	0.7%	15.0	0.7%
Total Operating Revenue	\$140.9	1.7%	\$142.6	1.2%	\$145.9	2.3%	\$149.9	2.7%
Operating Expenditures								
Salaries, Wages, & Benefits	\$101.1	3.6%	\$104.8	3.7%	\$109.7	4.7%	\$115.5	5.3%
Fuel & Electricity	5.3	8.2%	5.8	9.4%	6.4	10.3%	6.9	7.8%
Goods & Services (incl. debt service)	33.9	-3.4%	34.4	1.5%	35.0	1.7%	35.7	2.0%
Capital Expenditures	1.1	37.5%	1.5	36.4%	1.9	26.7%	2.3	21.1%
Total Operating Expenditures	\$141.4	2.2%	\$146.5	3.6%	\$153.0	4.4%	\$160.4	4.8%
Net Inc (Dec) from Operations	(\$0.5)		(\$3.9)		(\$7.1)		(\$10.5)	
Curtailement	(1.8)		(1.8)		(1.8)		(1.8)	
Structural Surplus (Gap)	(\$2.3)		(\$5.7)		(\$8.9)		(\$12.3)	
Incremental Gap	(\$2.3)		(\$3.4)		(\$3.2)		(\$3.4)	

11/16/09 V3

5.3 Appendix C: Economic implications of reorganization

Note: This Appendix was provided by the administrative members of the team.

The proposed restructuring plan will generate long-term savings from three general areas:

1. There will be three fewer deans, saving the salary, benefits, and administrative cost of deans' offices. The USM administration estimates savings of approximately \$750,000.
 - **FEWER DEANS:** If USM moves from eight deans to five (comprised of those in the University of Maine Law School, Lewiston-Auburn College, and the proposed three new colleges), this will result in the elimination of three dean-level positions and their associated offices. It is true that some of these existing deans have the right to go back to the faculty in teaching positions, but over the long term the incumbents will either fill existing faculty lines, retire, or otherwise leave the payroll. Accordingly, 100% of the salaries and benefits for their current positions will be saved. Assuming that a generic dean's salary is \$140,000, with benefits calculated at the current rate of 50% of base salary, a generic dean costs the university \$210,000 in combined salary and benefits. Add to this the cost of travel, telecommunications, and administrative support, estimated at a minimum of \$40,000 per dean, for a total cost to the university of \$250,000 per dean per year. The elimination of three positions under this proposal would save, conservatively, \$750,000.

Also, the elimination of deans may result in some additional salary paid to the heads of subunits—administrative heads of schools, for example—under the new deans. At the same time, along with the three deans eliminated under this proposal, some associate dean positions may also disappear completely. Having not yet measured these two effects, we are implicitly assuming that they offset.

- **BENEFITS COSTS:** The benefit package for senior administrators is basically the same as other University of Maine System employees, and the largest component is the health plan. Only the Medicare tax and retirement benefits are proportional to salary and not capped. Thus, using the example above, it is unlikely that the economic cost of a dean's benefit package would be 50% of salary, or \$70,000 annually on average. However, under University of Maine System accounting policy, the universities are charged for benefits at a fixed rate of salary, regardless of the level of the salary. For Fiscal Year 2010, this fixed rate is 49.3%, and it is expected to rise to over 50% for the period Fiscal Years 2011 through 2014. Consequently, the University of Southern Maine

administration is using 50% as an approximate average for this period.

2. The university administration anticipates that the proposed new college structure will facilitate reorganization of existing departments into fewer, larger departments, reducing department-head course releases, stipends, and administrative support costs. The result would be an estimated savings of \$390,000-\$630,000 annually.
 - **FEWER, LARGER DEPARTMENTS:** The three new deans and their associated faculties will need to reorganize the structures of their colleges and faculty units in consultation with Provost Forhan. For example, Provost Forhan anticipates developing guidelines that link university provision of academic support services within the colleges to the size of subunits. A move to fewer, larger departments would impact costs associated with release time, stipends, and administrative support staff. The economic implications of this are complex (many support staff would be redeployed as the university moves toward equitable provision of academic support functions), but for example, if eight departments are consolidated, the savings are estimated, conservatively, between \$390,000 and \$630,000 annually, depending on the expenses offset by the faculty capacity released.

It will take at least a year for the various faculties and the new deans to conduct the necessary discussions and planning, so many of these savings would not be effective until after the 2010-2011 academic year. Given more than a year to plan, we hope that most of the staff reductions can be achieved by attrition and re-allocation of existing staff.

3. In order to facilitate the restructuring and realignment of academic infrastructure, starting with Fiscal Year 2012 and continuing for approximately two years, the administration plans to apply principles based on zero-based budgeting. This ground-up approach to budgeting analyzes the needs and costs of every function within an organization in light of its overall goals. Budgets are then fashioned through justification of each function as if that function did not exist or was about to be discontinued. Building from a 'zero-base,' a manager must make a case for funding that efficiently advances the organization's goals. One of the university's most important current budgetary goals is to decrease total dollars spent on academic administration in order to free funds for reinvestment in academic programs and student success. With zero-based budgeting some department budgets may increase or decrease as the university evaluates activities and functions in the light of its broad strategic goals.

In any case, this five-college proposal, with the accompanying sub-college restructuring associated with its implementation, supports the goal of reducing over-all administrative costs. (Additional information about higher education budgeting is available on the national Association of College and University Business Officers website at www.nacubo.org).

Note: Additional savings from other-than-academic restructuring

The above net savings estimates do not count additional savings from other activities that are underway but are unrelated to the restructuring effort. Senior non-academic administrators are planning strategic reductions in non-academic infrastructure in excess of \$1 million dollars in Fiscal Year 2011, with more to come in future fiscal years. A status report on these plans will be incorporated into President Botman's Fiscal Year 2011 budget proposal to the Board of Trustees.

5.4 Appendix D: Reorganization timeline

