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DRAFT - Design Team Academic Reorganization Proposal

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DRAFT

Design Team Academic
Reorganization Proposal

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1. Introduction

This proposal is the result of the deliberations of the University of Southern Maine Reorganization Design Team: Professor Bruce Clary of Public Policy and Management, Executive Director of Public Affairs Robert S. Caswell, Provost and Vice President for Academic Affairs Dr. Kate L. Forhan, Professor of Professional Education Lynne C. 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, Special Assistant for Planning and Project Development Dr. Timothy Stevens, and Associate Professor of Classics Jeannine D. Uzzi. All members of the Design Team unanimously endorse the recommendations contained in this document.

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 input 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 C. 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, 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 February 26th. After community comment and subsequent revision by the Design Team, President Botman will receive the Team’s finalized proposal by March 19th; solicit comments from the community; make further revisions, if necessary; 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 Board meeting. Implementation will begin immediately upon Board approval.

1.3 Reorganization Rationale

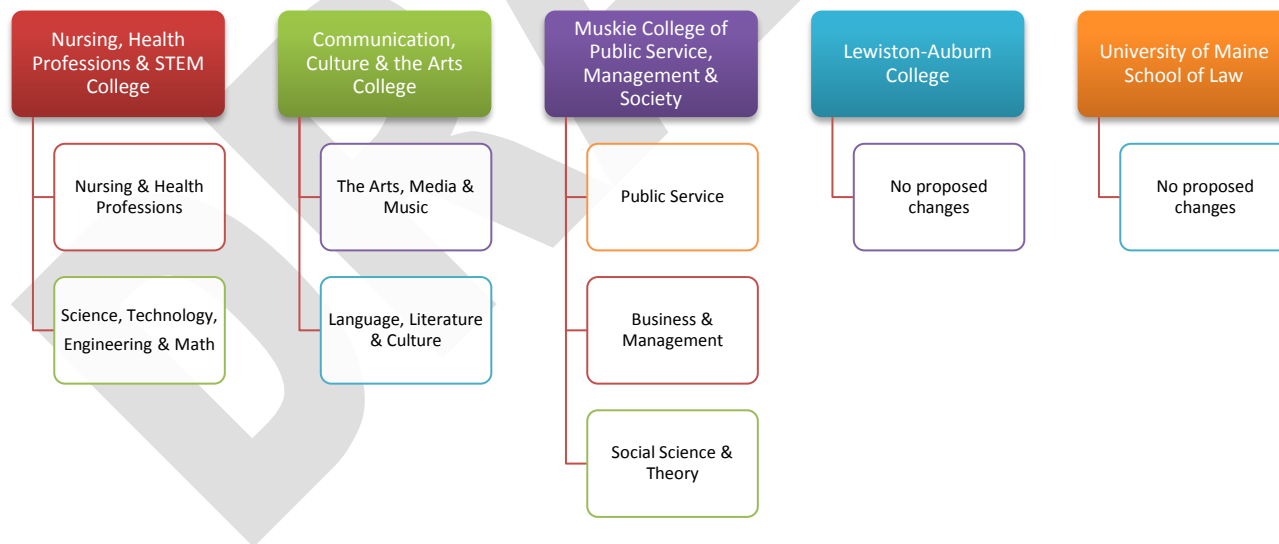
The University of Southern Maine has an opportunity to rethink its academic enterprise in ways that both ensure its fiscal sustainability and enhance the quality of its academic programs. As Maine’s only public regional comprehensive university, the University of Southern Maine “provides a transformative 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 breaks down academic silos and institutional barriers to interdisciplinarity and collaboration. 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 is predicated 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, 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). The decanal status of University of Maine School of Law and Lewiston-Auburn College remains unchanged.



Each of the three newly proposed colleges achieves an intentional balance of theory and practice, the liberal arts and the professions, and both undergraduate and graduate studies. Responsibility for implementation of the general education Core Curriculum will become a college-level, rather than a departmental, responsibility, facilitating curricular development and involvement of faculty within these three 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 within each college. This proposal also achieves greater equity among the colleges with respect to number of faculty members, distribution of student credit hours, and administrative support. No relocation of faculties or facilities is anticipated in the near future. 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 interdisciplinarity.

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



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

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.

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

1. If USM moves from eight deans to five (in the University of Maine School of Law, 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.
2. In addition, the three new deans and their associated faculties will need to reorganize the structures of their colleges and faculty units in accordance with new guidelines provided by Provost Forhan. For example, Provost Forhan anticipates issuing a guideline that every department or faculty unit should have a minimum of 16 members. The move to fewer, larger departments will then result in reduced release time, stipends, and administrative support staff. The economic implications of this are complex, but for example, if eight academic departments merge with other units, the savings could be between \$390,000 and \$630,000 annually.

In order to facilitate the restructuring and realignment of academic infrastructure, starting with Fiscal Year 2012 and continuing for approximately two years, the administration will apply 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. With this technique some department budgets may increase or decrease as the organization associates activities and functions to its broad strategic goals. One of the university's current budgetary goals is to decrease total dollars spent on academic administration in order to free funds for reinvestment in academic programs. This five-college proposal, with the accompanying sub-college restructuring stemming from its implementation, supports that goal (additional information about higher education budgeting is available on the National Association of College and University Business Officers website at www.nacubo.org).

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 anticipate that significant staff reductions can be achieved by attrition and re-allocation of existing staff.

The above net savings estimates do not count additional savings from other activities that are underway but are beyond the scope of the reorganization Design Team:

1. Chief Operating Officer Shaffer and other 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 Fiscal Year 2011 will be posted on the reorganization website Friday, February 26th, updated by March 19th, and incorporated into President Botman's final proposal to the Board of Trustees.
2. Provost Forhan is also conducting ongoing review of both academic programs and the administrative functions within Academic Affairs in

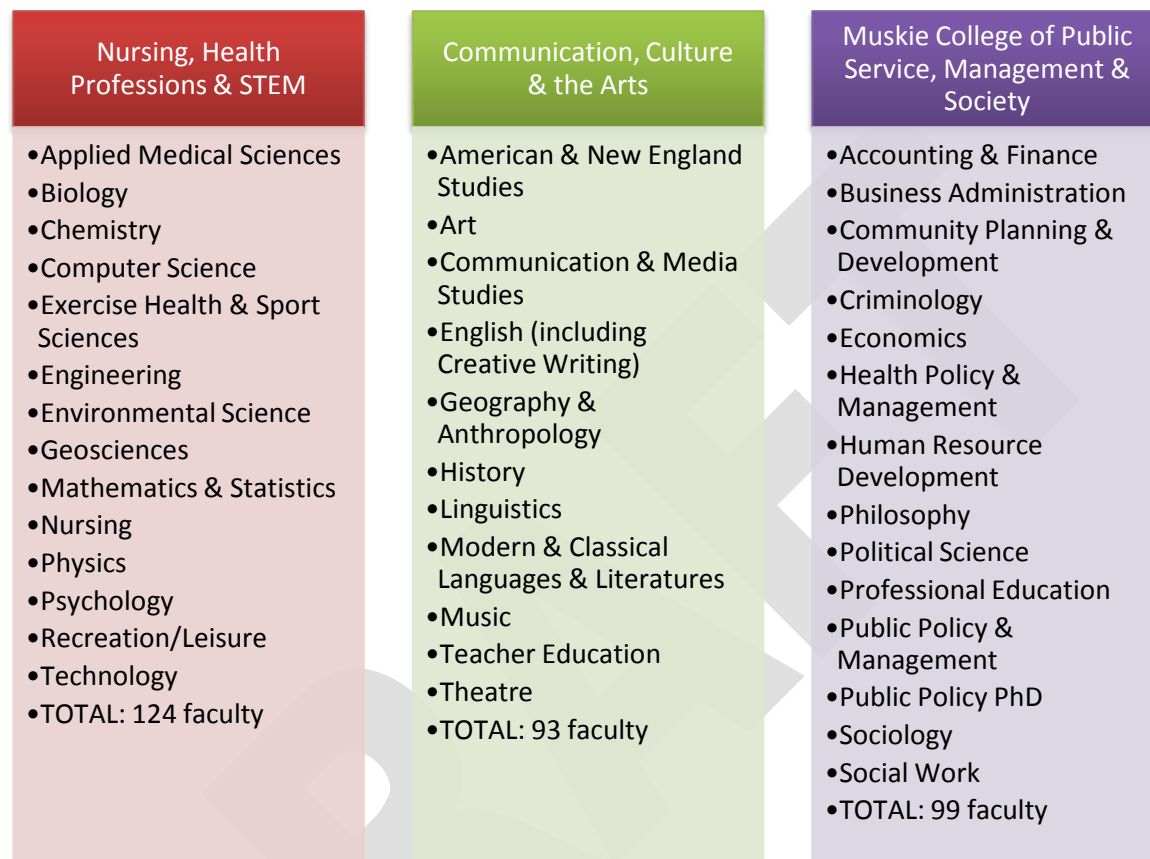
order to address the need to reduce expenses in Fiscal Year 2011 and future years (see Appendix C for a draft Academic Affairs administrative organization chart). The review is also in response to the Board of Trustees mandate to examine programs that produce five or fewer graduates and courses of 12 or fewer students. So far, additional savings in the administration of Academic Affairs, including Research Administration, will provide between \$250,000 and \$400,000, some of which is Maine Economic Improvement Fund funding that can be reallocated to provide additional support for faculty research. The recent external review of the university research area provides some of the analysis useful in this regard, and the final Research Administration report will be posted on the Faculty Senate BlackBoard site as soon as it is available.

4. Next Steps

After the scheduled release of the first draft of this proposal on Friday, February 26th (delayed by university closing until Monday, March 1st), the period for community response and comment will continue through March 15th, with a final draft submitted to President Botman on March 19th and posted on the university's website. After receiving further comments from the community, 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).

5. Appendices

5.1 Appendix A: Distribution of existing departments across the three proposed new colleges



Note: Existing departments within each proposed new college will reorganize themselves during the implementation stage that follows Board of Trustees approval. Departmental or faculty groupings will be determined through facilitated conversations with the faculty, according to principles formulated by Provost Forhan.

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

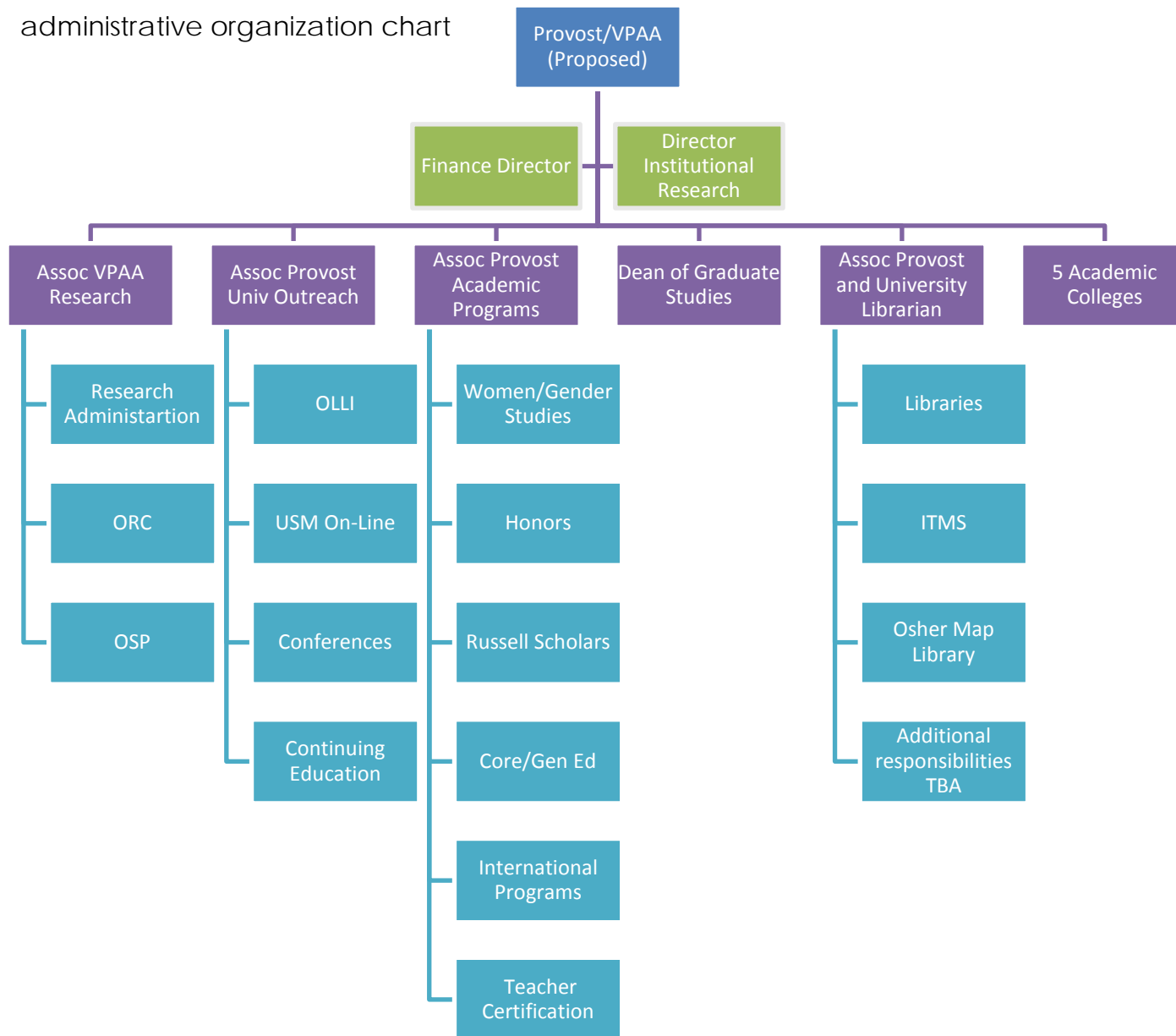
UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - Version A
UNRESTRICTED OPERATIONS (E&G, Auxiliary, Designated)
(\$ in Millions)
USM TOTAL

	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:
 Draft Academic Affairs
 administrative organization chart



5.4 Appendix D: Reorganization timeline

