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USM Direction Package Recommendations

Direction Package Advisory Board

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USM Direction Package Recommendations

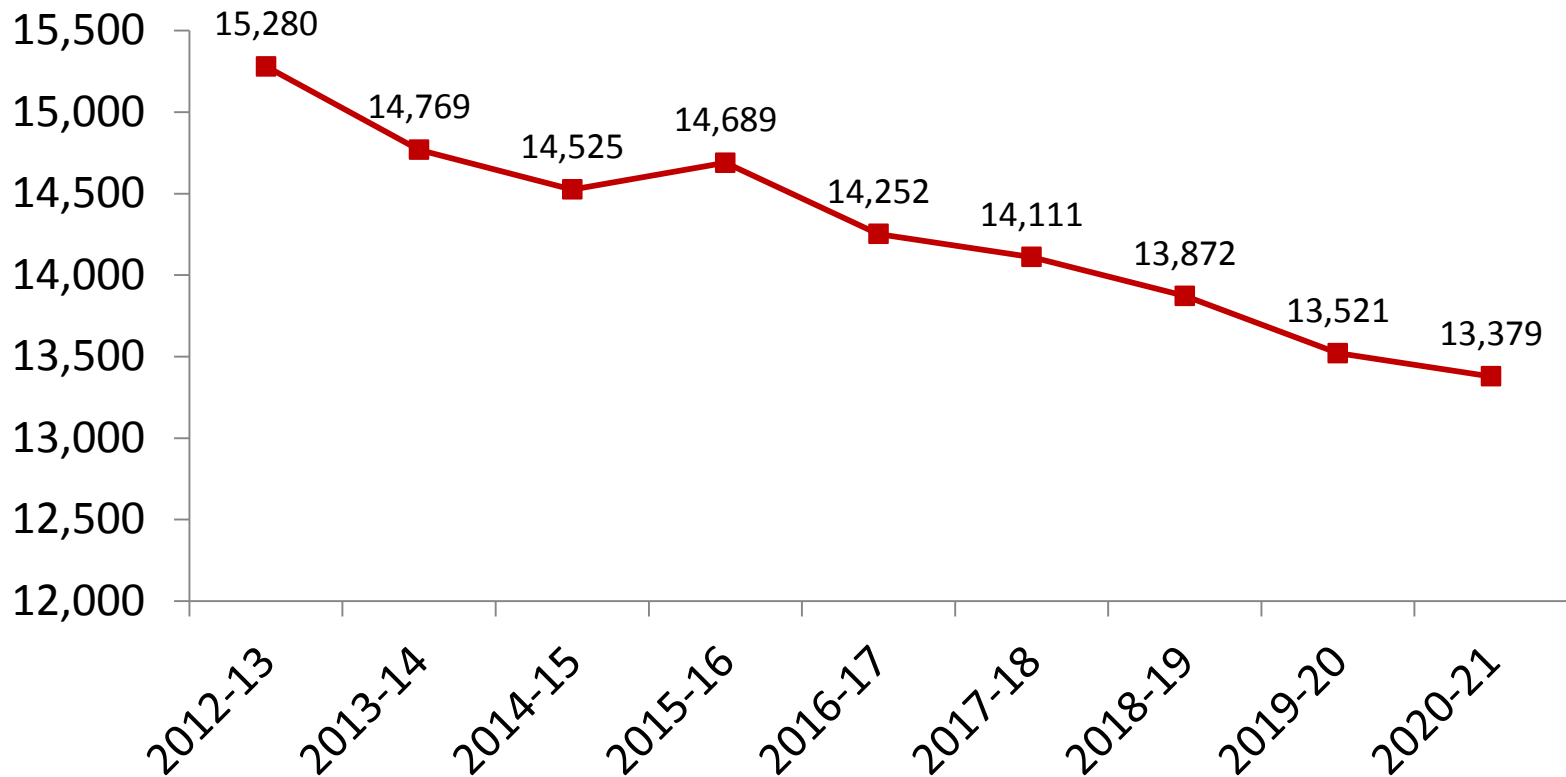


PORTLAND • GORHAM • LEWISTON • ONLINE

- Welcome and introductions
- Stage setting
- Subgroup recommendations
- Points of discussion (caution or disagreement)
- Comments from guests
- Reiterate next steps

- Nationwide, Higher Education is in a state of flux:
 - Demographic changes
 - State funding challenges
 - Tuition loads and debt as a percentage of income
 - Emerging competition, combined with differing
 - Pedagogies,
 - Modalities,
 - Models,
 - Student appeal

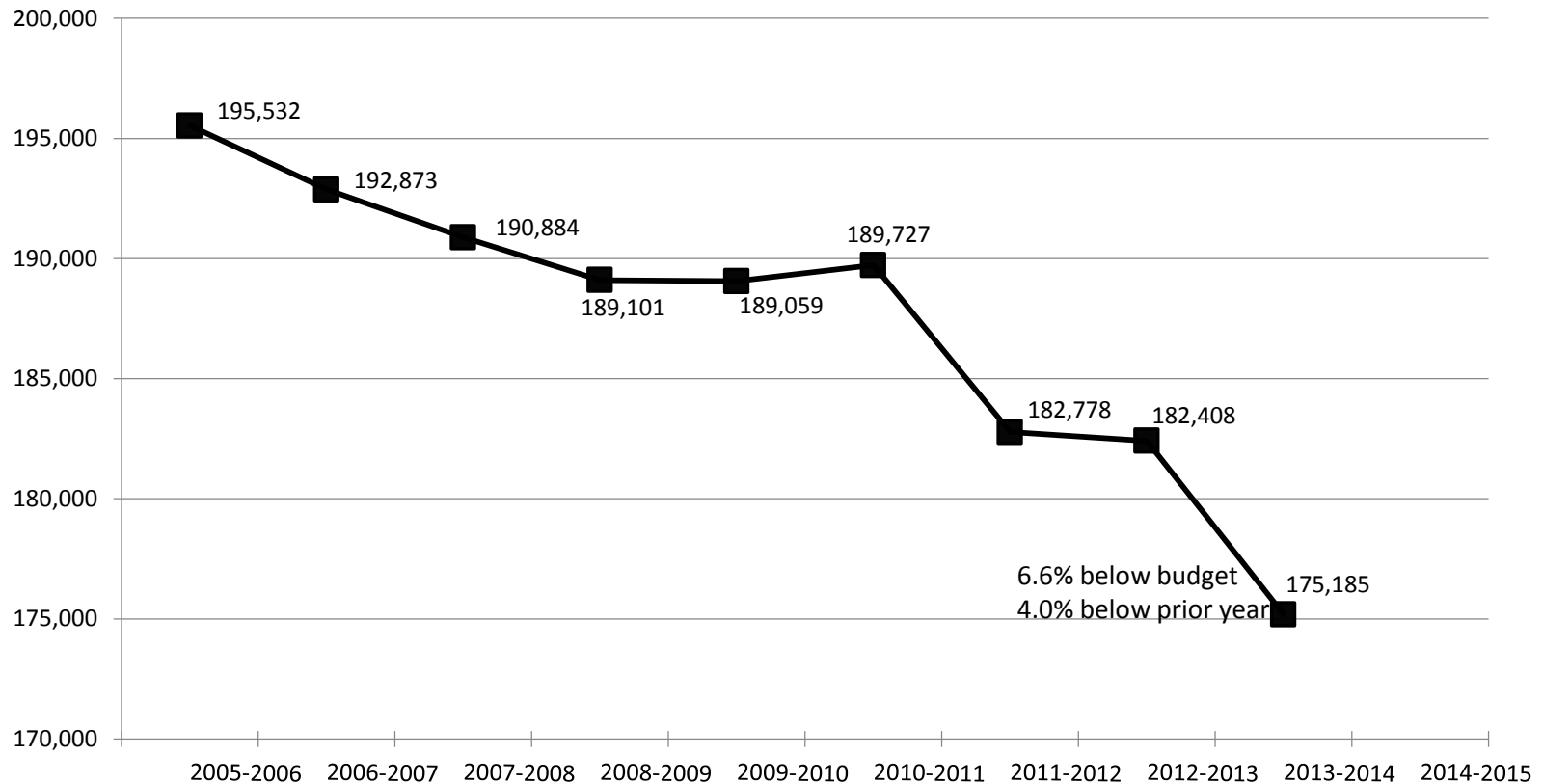
Projected number of high school graduates: Maine 2012-20



- Within this changing environment, the mission of UMS stays constant:
 - High quality educational experiences for our students
 - Carry out research and economic development that increase knowledge and drive economic development, and
 - Engage with Maine people on issues affecting the economic, social and civic life of the state

- The UMS challenge is embarking on these changes in the environment of scarcer resources:
 - System-wide, we face a structural gap of \$36 million for FY 15
 - Our seven Universities face shortfalls from 4.6% to 15.1% of their FY 15 budgets

Total USM Fall and Spring Semester Credit Hours with 2013-2014 Estimate



- For USM:
 - FY 15 projected structural gap is \$14 million
 - Five-year projection (if did nothing): \$24 million
 - Need for clear vision/mission/identity so that reductions/investments can be correctly targeted

- 31 members
 - Every major stakeholder group represented
 - About 27 consistently attended or sent reps
- Meeting schedule
 - Planning and Group selection - Sept / Oct
 - Kickoff meeting – November 8th
 - Five information/education meetings
 - Broke into three subgroups – met Dec-Feb
 - Interim report and incorporation of feedback

- Today we will hear their recommendations to the President and president's council
 - PowerPoint of summary recommendations
 - At least one of the subgroups will have a report
 - Others may have additional data/details to share
- Theo and her group will utilize them as they formulate their FY 15 budget plan and the direction for USM
- Starting on March 14, these plans will be shared with the USM community

DP Subgroups



University of Southern Maine

Maine's Metropolitan University

Kelsea Dunham, Lynn Kuzma, Samantha Langley-Turnbaugh, Monique LaRocque (chair),
Joseph McDonnell, Ed McKersie (co-chair)

A Metropolitan University. . .

- Engages intentionally and systemically with the greater metropolitan area.
- Provides leadership in improving the quality of life in its surrounding communities.
- Offers intellectual resources to foster innovation, entrepreneurship and economic growth.
- Offers a course of study that is flexible, adaptive, and accessible.

Coalition of Urban and Metropolitan Universities

“...shared mission to use the power of their campuses in education, research, and service to enhance the communities in which they are located.”

Because place matters

<http://www.cumuonline.org/about.aspx>

USM **is** Maine's Metropolitan University

- Location, Location, Location!
- It differentiates USM from other UMS campuses
- We have a responsibility to serve our communities

USM as Maine's Metropolitan University will...

- Utilize cities as “*living laboratories*”
 - Develop *service learning* capacities
 - Commit to *civic engagement*
- Focus on *applied research*
- Commit to serving a diverse student body that reflects our communities

How Do We Strengthen USM's mission as a Metropolitan University?

Develop Robust Community Collaborations

Cultivate a 21st Century Mindset

Retool Academic Programs

Develop Community Collaborations

- We institutionalize structures that support and strengthen existing and new community partnerships
- We market and make widely visible these robust partnerships

Community Collaborations

- Intentional
- Directional
- Sustainable

Cultivate 21st Century Mindset

- Global Awareness
- Creativity
- Entrepreneurship
- Leadership
- Wellness & Health
- Social Responsibility

Cultivate 21st Century Mindset

This mindset is introduced through our *curriculum* and cultivated by required *active learning opportunities*, such as internships, undergraduate and graduate applied research, study abroad, service learning, performance groups, and leadership positions.

Cultivate 21st Century Mindset

- **Ways of thinking.** Critical thinking, problem-solving, decision-making and life-long learning
- **Ways of working.** Communication and collaboration
- **Skills for living in the world.** Citizenship, life and career, and personal and social responsibility

Retool Academic Programs

Realign Resources

- *Reinvest* in existing programs that fulfill our mission
- *Invest* in new interdisciplinary/multidisciplinary programs that support our mission
- *Disinvest* in academic programs and service areas that do not fit the new mission

Creative (Innovative) Economy

“the industries of the twenty-first century will depend increasingly on the generation of knowledge through creativity and innovation.”

Landry, Charles; Bianchini, Franco (1995), *The Creative City*, Demos

Cultivating the Creative Mindset

- NSF TUES Grant for infusing creativity in STEM

Interdisciplinary Program Development

Science

- Sciences
- Technology
- Engineering
- Math

Arts

- Art
- Music
- Theatre
- MFA
- Communication and Media Studies

STEM + (A)RTS = STEAM

New Degree Program Development

- Design
- Entrepreneurship
- Cyber Security

Cultivating Active Learning Opportunities

- CI(2)Studio - Creative Intelligence, Innovation, Collaboration

The studio's mission is to develop individual and group creativity in an open concept experiential learning environment. The emphasis is in collaboration on cross-disciplinary design projects that demonstrate creative research, scholarship, and innovation and have the potential for creative expression and / or commercialization.

University and City Collaboration

The Portland Arts and Creative Enterprise (PACE) Center:

- leverages the wide range of creative and intellectual economy
- integrates the arts and technology
- expands the creative economy of Greater Portland

In its initial configuration, it comprises two facilities:

- ✓ a fabrication center
- ✓ a clean product prototyping lab

Three Campuses: One Vision

Leveraging the assets of each campus . . .

PORTLAND

- Portal to largest metropolitan area in the state
- Home to Professional Programs
- Abromson Community Center/ Professional and Continuing Education (PCE)
- Center for Technology Enhanced Learning (CTEL)

Strategies:

- Actively engage the business community
- Connect intellectual resources with community needs
- Leverage PCE/CTEL to support development of flexible and adaptive program options (online, blended, evenings, certificates, professional development)
- Build infrastructure to support robust community partnerships

GORHAM

- John Mitchell Center
- Creative Arts
- Residence Halls

Strategies:

- Focus on IT, Engineering, Arts
- Develop collaborative labs for incubating ideas
- Create vibrant, living-learning communities
- Host other UMS campus students for semester of active engagement in city lab
- Develop additional Low-residency programs
- Provide international housing
- Offer family housing

LAC

- Portal to the second largest metropolitan area in the state
- Modern facility with one-stop student services and classrooms

Strategies:

- Actively engage the LA area business community
- Integrate the curriculum and administration with P/G
- Extend more programs to LA through blended models

USM will become THE campus in the UMS dedicated to:

- The visual and performing arts
- Professional graduate programs
- Health and environmental policy
- Funded applied research on policy issues
- System-wide metro experiences for internships/projects
- International and recent immigrant students

Changing the USM Experience

- Public service mission
- Creating rich personal educational experiences
- Flipping the classroom
- Mastering competencies
- Problem solving across disciplines
- Creating portfolios based on making and doing

Growth Strategies

- Lower rate for out-of-state tuition
- Attract international students (price/experience)
- Online and low-residency programs
- Summer programs
- Pathways from CCs to USM
- Combined undergrad/grad degrees
- Competency-based pathways (e.g. skipping freshman year for high achieving students)
- Rethink the semester system

Student Perspective

- Students want:
 - multidisciplinary programming
 - community integration
 - academic skills to find a job
 - network of connections

Assessing USM's Academic Portfolio

Andy Anderson, Jon Barker, Bob Blackwood, Joyce Gibson, Christy Hammer, Gary Johnson, Carlos Lück, Jeanne Munger (chair) Carol Nemeroff, Steve Pollock, Judy Shepard-Kegl, Bill Wells (co-chair)

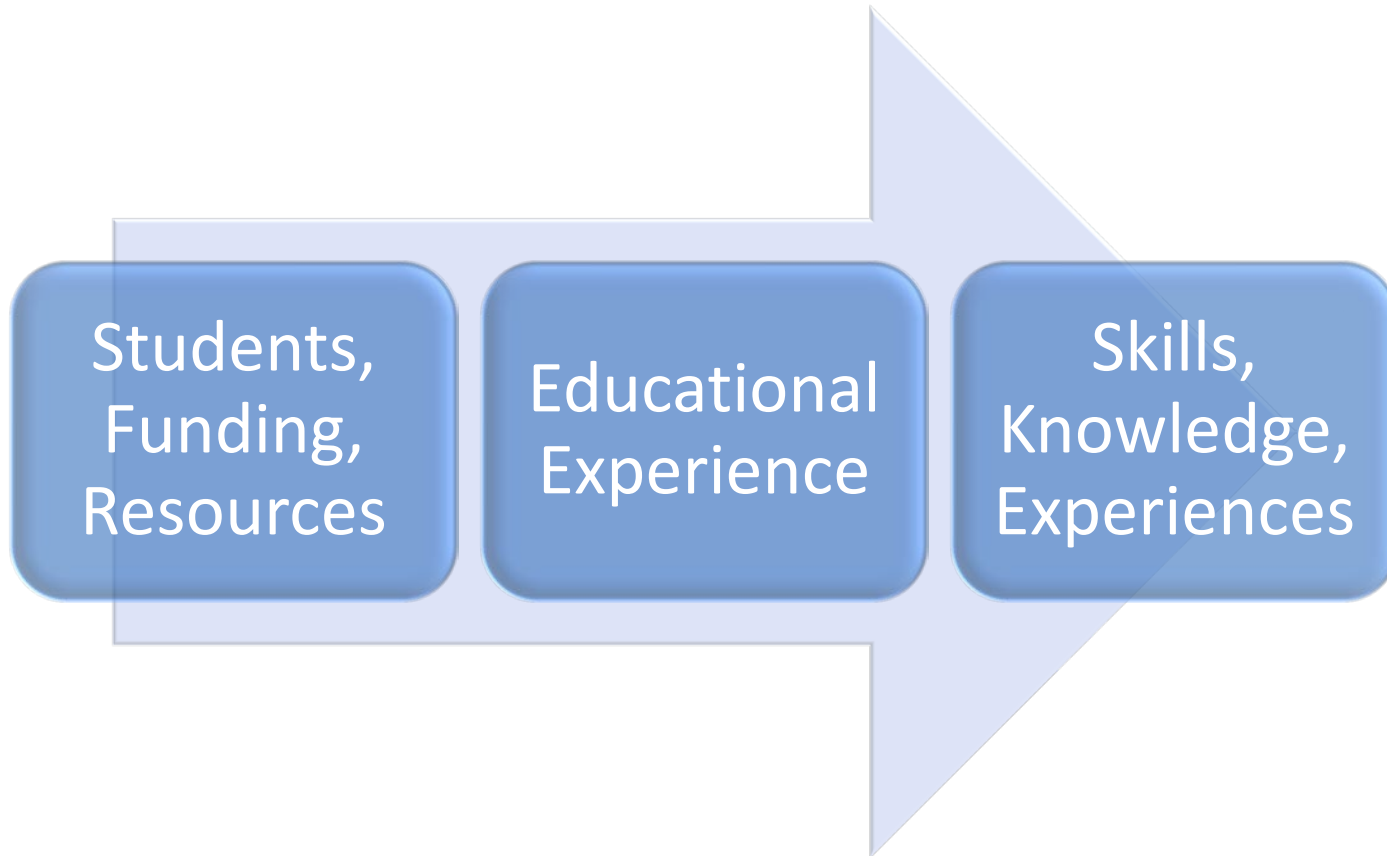
Assessment

- Quantitative
 - numbers alone tell only part of the story
 - productive use of resources
 - build and maintain sustainable portfolio of offerings
- Qualitative
 - essential for more complete picture
 - must fit with mission
 - criteria will vary among programs
- A combination of both is critical
 - opportunity for greater understanding so we can communicate our brand internally and externally

Portfolio of Programs

- Prioritization
 - weighting of criteria
 - allocation of resources
- Categorization
 - enrichment
 - retain with increased support
 - retain at current levels of support
 - retain at lower levels of support
 - candidates for reduction, phase-out, consolidation

Points of Evaluation

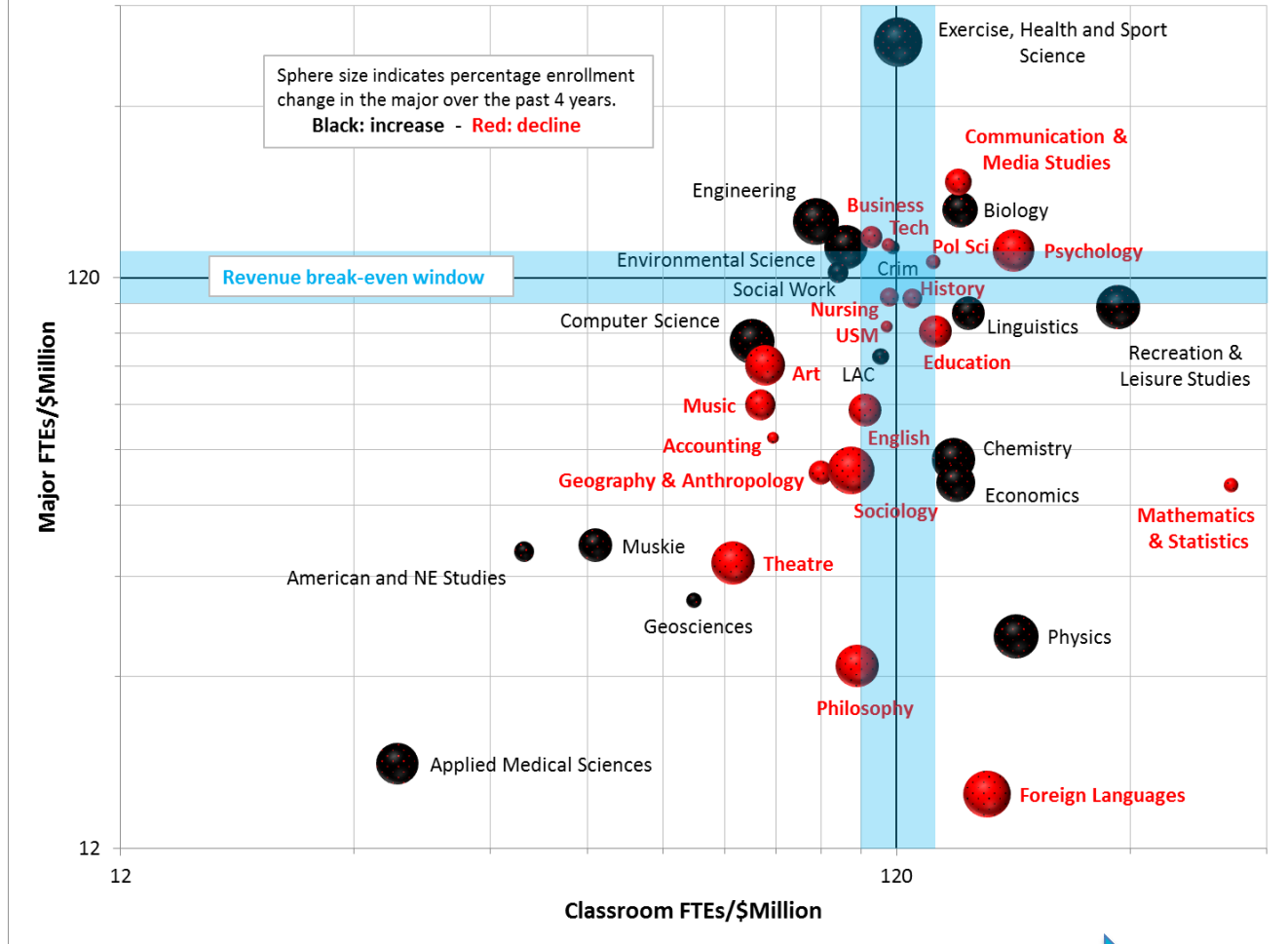


Requires Metrics for Each

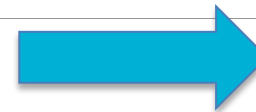
- Students, Funding, Resources
 - market demand for programs
 - costs and expenses of programs
- Educational Experience
 - quality of programs
 - effective use of partnerships (internships, projects, clinical)
 - System collaboration to enhance student experience
- Skills, knowledge and experiences
 - graduation rates
 - job placement

Academic Review

USM unit comparison by majors, classroom teaching, and growth



Revenue Positive



Revenue Positive

Data Limitations

- Analysis based on academic units, not programs
- Budgets may not reflect all revenue and expenses, since some of that may be allocated to other budgets – i.e. Dean’s Office.
- The data analysis is not uniform in terms of the level of the academic units, since it presents data on departments, schools, and, in one case, a college.

Data Limitations (continued)

- The budgets do not reflect research funding and expenses. While those are provided in the attached appendices, they are not reflected in any of the calculations assessing revenue and costs.
- On the data side, the budget and the credit hours are out of phase, since the budget pertains to the 2013/2014 fiscal year, while the credit hours were compiled for the 2013 calendar year.
- The apportionment of credit hours to a given unit needs refinement to account for Continuing Education classes and general education contributions such as EYE courses.

Data Limitations (continued)

- The unit budget does not include part-time instruction explicitly, since the part-time budget resides at the college level; in order to partially account for that, the college overhead was divided proportionally among the units.
- Non-instructional college costs are also divided among the units, but costs outside the colleges, such as facilities, admissions, HR are not included.
- Revenue is based on tuition at an average of \$280 per credit, thus it does not account for the proportion of out-of-state tuition, course fees, and scholarships that vary among the academic units. Course fees are accurate only in terms of the degree to which those are reflected in academic unit budgets.

Key Metrics (part 1)

Student-Related

- Attractiveness to students (applications, inquiries)
- Student demand (enrollment)
- Program demand versus supply
- Accessibility (serving place bound individuals)
- Retention
- Student centric services
- University engagement after graduation

Key Metrics (part 2)

Resource-Related

- Cost versus revenue
- Grant/external funding
- Revenue generation (other than by credit hours)

Fit to Mission

- Visibility and consistency with USM brand
- Contribution to reputation of the university as a whole
- University leadership

Key Metrics (part 3)

Program Quality

- Achievement of a high level of accreditation
- Interdisciplinary/integrative/innovative
- Centrality to mission
- Research and publications
- Collaborative – within USM and within System
- Level of program collaboration, e.g. In STEM
- Contribution to Gen Ed

Key Metrics (part 4)

Skills/Knowledge/Experiences

- Placement rate of graduates
- Community engagement/internships
- Wide variety of classroom experiences
- Rich experience through pedagogy
- Proficiency of core skills
- Active recruitment by employers

Considerations for Review

- Programs must be reviewed multiple dimensions
 - quantitative AND qualitative data
- Data must be accurate and relevant to the task
 - refine existing quantitative as needed
 - quantitative alone paints an inaccurate picture
 - Seek additional data about specific programs
- Reviews would be incomplete without input from programs

This Work Provides

- Starting point for assessment
 - Major FTEs meet or exceed Unit budget
 - Classroom FTEs meet or exceed Unit budget
 - Number of Majors and recent growth trends
- Report identifies program accreditation
- Report includes grant and other forms of revenue by program

Key Considerations

- What programs are vital for our vision?
- How do we redesign existing programs?
- How will we efficiently and effectively manage the portfolio of programs going into the future?
 - Who is involved
 - Accountability to goals
- Can we use pilots to usher in dramatic changes?
- How can we collaborate within USM and UMS?
- How can online be integrated to enhance the student experience?
- How do we manage facilities, taking some building out of usage and constructing new?

Next Steps

- Collect additional data to adjust initial data points
- Ask deeper questions for each data point
 - What's the story?
 - What is missing from the picture?
 - What caused each to be faced with this situation?
 - What is each going to do about it?
 - Actions for improving the financial picture?
- Integrate recommendations within the Vision framework
- Make final recommendations to President's Council

Takeaways

- Identify additional information needed
- Critical to ask for input from programs
- Must be done strategically, yet quickly
 - Tight time frame
 - Working on parallel timelines is not ideal
 - Cuts required before we know retirements
 - Long-term plan for strategic hiring of new faculty
 - Cannot build up programs without strategic funding
- Innovation changes require fostering an innovative culture



*The greatest danger in times of
turbulence
is not the turbulence;
it is to act with yesterday's logic.*

Peter F. Drucker

Creating Organizational Responsibility & Excellence Recommendations

Amy Amico, Kristi Hertlein, Margo Luken, Jessica Picard, Joy Pufhal (chair), Pamela Roy, Laurenz Schmidt (co-chair), Rick Vail, Blake Whitaker

- Goal:
 - Find more than \$14M to balance FY15 and to free up funds to invest in our future state.
- Task:
 - Identify immediate impact revenue strategies and expense reductions to close the \$14M FY15 projected deficit.
- Outcomes:
 - increase retention
 - reverse the enrollment erosion, and
 - reduce spending

Our Process:

- Series of interviews
- Conducted three surveys;
 - current students (nearly 350)
 - employees (almost 200), and
 - local employers (over 150)

7 Major Strategies

1. Improve the student experience
2. Invest in enrollment
3. Increase non-tuition revenue
4. Resize to an enrollment floor
5. Reduce instructional costs
6. Improve efficiencies and find cost reductions
7. Deacquisition under-utilized space

1. Improve the Student Experience

The Course Schedule

- Spread out course schedule to alleviate scarcity of parking and stress on our facilities
- Increase night and online courses

Consolidate or reduce fees

- Improve value of fees; reopen health services on the Portland Campus
- Charge Student Body President with review of student activity fee structure to bring alignment with of spending with University mission.

Technology

- Increase faculty comfort with technology
- Invest in technology; website, Blackboard, MaineStreet

Improve advising

- Instill a culture of mutual respect within the Institution. Address toxic behavior. "Faculty and staff are disgruntled and it shows"

Increase applied learning opportunities

- Employers wishing to recruit USM students need one point of contact
- Create academic year-long Service-Learning Project for every residence hall community and/or living-learning community utilizing the city as a lab.
 - Examples: COA after school arts program with Gorham Schools and GEB and New Years Eve Gorham.
- Increase contact by all employees with students
- Institutional Support for Graduate Assistants (e.g. tuition waiver, housing, student insurance)

2. Invest in Enrollment

Create a culture where recruitment and retention is everyone's responsibility. Set enrollment targets and manage to them.

Update enrollment plan; include summer term

Enhance Recruitment

- Explore the need for additional admissions/enrollment leadership and create enrollment quotas as part of their contract and consider the need for admissions counselors working full-time outside of Maine
- Explore recruitment opportunities in Canada
- Reduce Out-of-State Tuition

Create 2-4 new online programs immediately such as: project management, non-profit management, health informatics, cyber security, and a graduate certificate in coaching.

Know our market and drive advertising efforts at it in and out of State

- Supportive Center Staff (Multicultural, CSGD, Veterans, Health and Counseling, Student Success, Student Life)
- Hire a Public Relations Firm
- Non-traditional students
- Location
 - » Happiest city in Eastern US
 - » America's most livable city
 - » Best City for Mid-Level Professionals
 - » LGBT Friendly

3. Increase Non-Tuition Revenue

Explore private-public partnerships to operate fitness programs, housing, and ice arena

Offer sports clinics during school breaks

Charge guests for parking garage access

Create OLLI Residential Summer Institutes

Additional summer non-tuition business

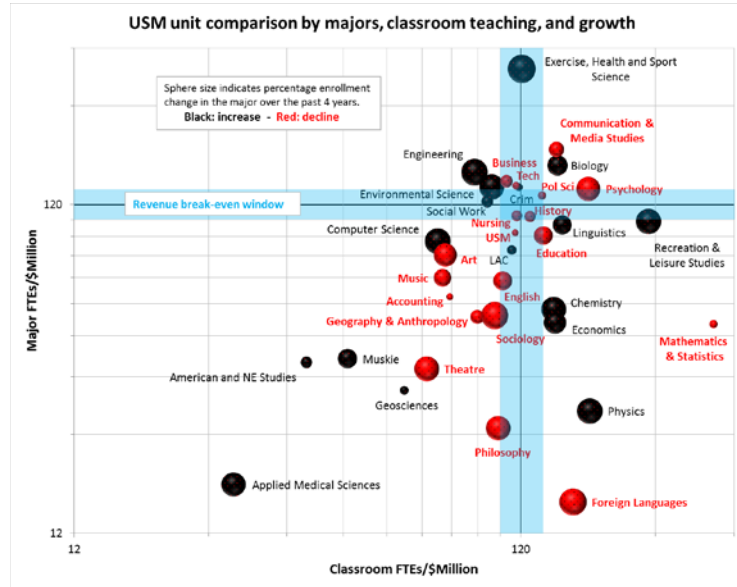
4. Enrollment Floor

- Given enrollment over the past few years, State of Maine demographics, and regional competition, assume an enrollment floor of 8,000 (headcount)
- Adopt national benchmarks for staffing
- Manage and report on all levels going forward.

5. Faculty and Instruction personnel

- Institute minimum 3/3 teaching load guideline. Exceptions should be granted /approved where justified and needed.
- Increase course sizes to established target numbers
- Consolidate under-enrolled programs with UMS, any not self-sustaining programs should be examined and tested for consolidation or elimination.
- Recycle faculty where possible and where qualifications permit to new programs
- Reduce faculty and support staff accordingly

5. Faculty and Instruction personnel



	Max Savings	Min Savings	Probability	Work figure	Begin savings	Impact 2014	Impact 2015	Restructuring charges
Action (Cost Reduction)	p.a.	p.a		p.a.				
Full Professors teaching 3/3; lecturers teaching 4/4; average undergraduate class size of 30; and average grad class size at 18	4,300,000	\$2,400,000	90%	\$3,015,000	1-Jan-15	\$0	\$3,015,000	\$3,517,500
Early Retirement	4,800,000	\$1,800,000	60%	\$1,980,000	1-Jun-14	(\$3,000,000)	\$2,000,000	\$0

6. Cost Reduction / Efficiency improvement

- **Administrative and Support Staff**

- Target 25% payroll consolidation in upper management functions after streamlining of business processes and empowerment of mid level staff.
 - Decrease the number of department chairs through consolidation and elimination
 - Decrease managerial positions in academic affairs administration
 - Explore consolidation of Deans offices
 - Student facing positions should be prioritized (i.e. admission, enrollment, teaching, engagement..)
- Set strict targets for managerial pyramid e.g.
 - Managerial positions should have a predetermined responsibility for either a number of direct reports, a budget or a strategically important outcome (projects)
 - Explore the use of a matrix structure to flatten the organization
- Centralize or combine functions across campi where possible – system wide
- Consolidate Campus support services, admission and transfer affairs, PCE and Student success

6. Cost Reduction / Efficiency improvement

- **Business Process efficiency**
 - Establish universal cost accounting to allow for finer granularity and consistent reporting
 - Manage to financial metrics and objectives
 - Set spending budgets and function specific performance targets with commensurate metrics
 - Design lean processes and establish continuous Improvement similar to Six Sigma
 - Conduct annual performance reviews based on metrics. Reward performance and establish a success dependent variable compensation component of overall compensation.
 - Review periodically service and purchasing contracts and put out for re-bidding, expect annual cost reductions from suppliers.

6. Cost Reduction / Efficiency improvement

	Max Savings	Min Savings	Probability	Work figure	Begin savings	Impact 2014	Impact 2015	Restructuring charges
Action (Cost Reduction)	p.a.	p.a		p.a.				
Improve Administrative Efficiency	3,500,000	\$2,500,000	60%	\$1,800,000	1-Jan-15	\$0	\$1,800,000	\$2,400,000

7. Reduce Infrastructure

- **Buildings, maintenance and depreciation**
 - Close Stone house
 - Close Dickey-Wood hall unless used for new programs
 - Review and reduce leased space according to need.

7. Reduce Infrastructure

	Max Savings	Min Savings	Probability	Work figure	Begin savings	Impact 2014	Impact 2015	Restructuring charges
Action (Cost Reduction)	p.a.	p.a		p.a.				
Close the Gorham Bookstore	20,000	\$20,000	90%	\$18,000			\$18,000	\$5,000
Sell the Stone House	\$45,000	\$45,000	90%	\$40,000	1-Jan-15	\$0	\$40,000	\$10,000
Close Dickey-Wood Hall	\$400,000	\$300,000	60%	\$210,000	1-Jan-15	\$0	\$210,000	\$10,000
Action (Revenue enhancement)								
Increase Non-Tuition Revenue	500,000	\$200,000	90%	\$320,000	1-Jan-15	\$0	\$320,000	\$0

Summary table

Budget opportunities	Max Savings	Min Savings	Probability	Work figure	Begin savings	Impact 2014	Impact 2015	Restructuring charges
Action (Cost Reduction)	p.a.	p.a.		p.a.				
Full Professors teaching 3/3; lecturers teaching 4/4; average undergraduate class size of 30; and average grad class size at 18	4,300,000	\$2,400,000	90%	\$3,015,000	1-Jan-15	\$0	\$3,015,000	\$3,517,500
Early Retirement	4,800,000	\$1,800,000	60%	\$1,980,000	1-Jun-14	(\$3,000,000)	\$2,000,000	\$0
Improve Administrative Efficiency	3,500,000	\$2,500,000	60%	\$1,800,000	1-Jan-15	\$0	\$1,800,000	\$2,400,000
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Close Dickey-Wood Hall	\$400,000	\$300,000	60%	\$210,000	1-Jan-15	\$0	\$210,000	\$10,000
Action (Revenue enhancement)								
Increase Non-Tuition Revenue	500,000	\$200,000	90%	\$320,000	1-Jan-15	\$0	\$320,000	\$0
5% Increase in enrollment/retention	3,250,000	\$3,000,000	60%	\$1,900,000	1-Jan-15	\$0	\$300,000	\$200,000
Offering new courses and degree programs resulting in 3% enrollment increase	1,950,000	\$1,900,000	60%	\$1,100,000	1-Jan-15	\$0	\$500,000	\$0
Executive training or augmentative courses	3,600,000	\$2,400,000	60%	\$1,800,000	1-Jan-15	\$0	\$900,000	\$500,000
Reopen Health Services in Portland (3 days per week)	(\$65,000)	(\$45,000)	100%	(\$50,000)	1-Jan-15	\$0	(\$50,000)	
	22,300,000	\$14,520,000		\$12,133,000		(\$3,000,000)	\$9,053,000	(\$6,642,500)

The future is bright

- USM has a location advantage and smart personnel with high creativity.
- The External Review Report from the Muskie School of business and the Strategic Direction Package Team Report offer an executable approach to revitalization. Both, cost reduction and revenue enhancement are needed.
- Longer term differentiation will help to move from reaction to pro-action
- To make it happen will take Impatience, Creativity, Agility and Tenacity.

....Go Huskies!

What remains to do this meeting

- Points of discussion (caution or disagreement)
- Comments from guests
- Reiterate next steps