

Montana University System
Program Prioritization Workshop
Thursday, October 13, 2016
University of Montana Student Center

- 8:00 am: Welcome & Introductions
- MUS Commissioner, Clayton Christian
 - Royce Engstrom, President of UM
 - Robert Mokwa, Interim Provost & Executive VP of MSU
 - John Cech, Deputy Commissioner for Academic and Student Affairs
- 8:15 am: Program Prioritization: A Primer – Bob Dickeson
- What is Prioritization?
 - Is this applicable to Montana campuses?
 - What are its benefits/pitfalls?
 - How have campuses in other states tackled Prioritization?
- 9:30 am: Break
- 9:45 am: Panel Discussion – Bob Dickeson, Moderator:
- A: “Sustaining the Value of Prioritization: Boise State University”
- James Munger, Vice Provost from Boise State University
 - Stacy Pearson, VP of Finance at Boise State University
 - Scott Lowe, President of BSU Faculty Senate
- B: “Prioritization Research and Institutional Portfolio Management”
- Anne Milkovich, CIO, University of Wisconsin Oshkosh
 - Panel members provide an overview of their experiences and outcomes
 - Audience dialogue with the panel
- 11:45 am: Break
- Noon: Lunch (table discussions)
- 1-3:00 pm: Program Prioritization discussion continues
- Checking for readiness
 - Other issues that surface
 - Next steps
- 3-4:00 pm: Q&A with Dickeson and the Panel
- 4:00 pm: Wrap Up and Adjourn

PRIORITIZING INTAKE QUESTIONS

Robert C. Dickeson

2016 Version

Institution _____

1. Why is the project being initiated? Source of impetus _____

2. What do you see as the overall goal of the project? _____

3. Is there a specific dollar target or percent of budget target? _____

4. What are some of the positives you see as coming out of the project? _____

5. What are some potential pitfalls? _____

6. Assuming the mission statement is too vague, is an operating mission or vision statement a possibility to develop?

7. The project requires a lot of data. Tell me about institutional research capability; how much data can be generated centrally? _____

8. What is the status of your reduction-in-force policies, should they be needed?

9. How will decisions in this process dovetail, if at all, with the traditional governance process? _____

10. What are the likely dynamics/forces at work on the campus?

Board _____

Leadership Team _____

Faculty Senate/Governance _____

Other _____

11. What has been done to date with respect to:

The fit with strategic planning _____

Agenda/Timetable _____

Identifying Programs_____

Defining Criteria_____

Communications_____

Legal_____

Participation/Process_____

Other_____

12. Who are the key players/groups on campus that are responsible for:

Strategic Planning_____

Resource Allocation, including Budgeting_____

Fiscal Planning_____

Academic Program Reviews_____

13. Have there been any efforts to integrate the four functions, listed above?

14. What other concerns or issues about the process do you have?_____

OTHER ISSUES THAT EMERGE

Robert C. Dickeson

When an institution undertakes program prioritization, it may uncover and address certain policies, procedures and practices that simply don't make sense any more. Often, these practices are continued "because we've always done it that way." These matters, formal or informal, may cost the institution significant resources. During the prioritization process, it's a good idea to identify these issues and confront them in a timely way.

Among the most common of such issues:

1. The minimum number of faculty members that constitutes a "department." Institutions often confuse an academic "discipline" with a "department." A department is an administrative unit of the organization, and does not have to be populated exclusively by one academic discipline. Separate departments can be costly: administrative support, space, printed materials and other expenses can add up. One- or two-person departments can hardly be justified in times of scarce resources. Many institutions across the country combine two or more academic disciplines into one department. **A rule of thumb for small colleges is that a department should contain no fewer than four faculty members.**
2. The minimum number of graduates to sustain a major. Institutions often list in their catalog offerings a wide range of academic majors for marketing purposes. There is little justification for some of these listings. A candid review of actual program graduates will reveal that the institution is keeping on the books certain major offerings with few- or no participants. This practice is costly: maintaining faculty, space, equipment and library holdings to sustain a shaky program diverts precious resources away from more viable programs that are key to the institution's future. **A reasonable minimum standard would be that, to be sustained, an academic major should produce no fewer than five graduates over a three-year period.** Similar standards should be established for graduate and professional programs, as well.
3. The number of credit hours for a major, for general education, and for electives. In a time of scarce resources, offering departments will often inflate the number of hours required for a major, in order to attract more

credit hours generated, thus “justifying” the number of faculty positions required to be sustained. Such departments often use supposedly “academic” arguments to support these ploys. With the exceptions of accountancy and engineering, there is no academic justification for extending the baccalaureate into a fifth year. A review of college catalogs nationally will reveal the politically successful programs, where “major creep” has expanded to approximately half of a four-year degree program. **The baccalaureate degree program typically is constituted of one-third major, one-third general education, leaving one-third for a minor and electives.**

4. Abuse of released-time.

In general, and for all types of institutions, faculty teaching loads have diminished over the years. When we calculate a “full-time-equivalent student” or FTE student, we count students taking 15 credits per semester (or the proportionate numbers on a quarter system). The same approach is used for calculating an FTE faculty member, i.e., one who teaches 15 credits per semester. In the past, most teaching faculty indeed taught that amount per semester, and 15 credits was considered the standard “faculty load.” Over the years, and for a variety of reasons, the concept of “released time” was instituted: the practice of reducing the teaching load of an individual faculty member in order to be released to perform other institutional duties. Colleges and universities negotiate and then grant released time to faculty members for such things as:

- Advising students and student organizations.
- Planning curriculum projects, such as new courses or new programs.
- Conducting research.
- Taking on administrative duties, such as chairing a department or chairing the faculty senate, or other projects and duties that can be negotiated.

By so doing, faculty teaching loads are reduced to 12, or 9, or six, or, in some cases, three or even zero credit-hour responsibilities. The widespread phenomenon of released time has led to situations on many campuses that are indeed costly. In all cases, the use of released time results in: (a) larger class sizes for students; (b) increased costs to the institution; and (c) identification of teaching as a lower institutional priority, something to be “released from.” **The cumulative released time on any campus would equate to a significant number of FTE faculty positions, adding up to a sizable cost.**

5. The proportion of faculty who are tenured or are on tenure-track.

In many cases, institutions have limited their flexibility to manage effectively by offering tenure or tenure-track positions to such an extent that whole programs are “tenured-up.” The time-honored practice of tenure is costly. Tenure was originally conceived as a means to protect “academic freedom.” It has evolved into a system to protect job security. A combination of institutional practice and emerging case law has resulted in a situation where institutional flexibility is reduced in two key ways. First, if student demand for academic programs shifts, faculty capacity to deliver it cannot. Tenured faculty members are not interchangeable parts (a physics professor can’t usually teach journalism, and vice versa). Second, it has become increasingly difficult for college administrators to remove a tenured faculty member who is no longer effective. Thus, the decision to tenure has an accompanying long-term price tag that easily exceeds \$1 million per person. **Institutions should establish policies that limit tenure/tenure-track positions to a fixed proportion, say 60-to-80 percent within a program.**

6. The ratio of full-time to part-time faculty members.

Not every position needs to be filled with a full-time faculty member. **Campuses should evaluate their ratios of full-time to part-time faculty members, balancing the multiple factors of quality, student demand, and efficiency.**

7. Redundancy of courses offered in competing programs.

Thorough program review across the institution may reveal several redundancies in course offerings. Typical examples include writing or mathematics courses offered in departments outside English or Mathematics. The reasoning behind these redundancies is often more historical/political than logical, and results in unnecessary costs. **Institutions should review the incidence of unjustified redundancies and eliminate this practice.**

8. HR Classification Rules

In order to give a raise to an employee, rigid personnel systems may require a re-classification of the position the employee holds. Most classification systems reward the position if it is supervisory. Thus, a costly restructuring takes place, where one person now supervises one or two people in order to justify a higher-level position. This practice is very costly, results in middle-management bulge, and cannot be justified. **Classification systems ought to reward additional duties or performance on an ad hoc basis, and not overvalue supervision as an element.**

9. Additional Duties

It should be noted that ALL positions are growth positions. All jobs have duties added to them. It is probable that any position would have a growth-of-duties factor that approaches five-to-ten percent per year. The key is not to hire additional people because of this natural phenomenon; the key is to eliminate some duties that are no longer needed, or are of a lesser priority. **Position-by-position analysis is required on a periodic basis in order to right-size position duties.**

10. New Requirements

Every institution faces the same problem: mandates without money. These mandates may include new reporting requirements or new services required to be provided. Unfortunately, the practice of many colleges and universities is to add new positions to meet the new expectations. **Many of the new requirements do not require a full-time position.** Better alternatives are to (a) assign the new requirements to one or more existing staff members – remembering to prioritize their duties accordingly – (b) consider employing personnel to meet the new requirements on a part-time basis, or (c) outsourcing the functions when it proves to be cost-effective.

11. Workarounds

Many institutions, rather than confront a personnel issue head-on, go through elaborate restructuring, creating positions and in some cases, whole units in which to place the recalcitrant employee. This avoidance technique is as costly as it is absurd. **Conflicts and problems among personnel are normal; they should be resolved directly, without resorting to the workaround technique.**

12. Role in Retention

All institutions are becoming increasingly tuition-dependent. The best investment in enrollment management is student retention. Dollars wisely spent on retention have a much greater return on investment than dollars spent on recruitment. The key to look for is the direct, provable result that the service in question indeed contributed to improved student retention. **If two services or programs are up for analysis and--all other things being equal--one is a direct contributor to improved retention, it should score higher in the analysis.**

13. Other policy issues that surface.

- New criteria and standards for course and program approvals.
- Priorities for scheduling of classes at times when students need them.
- Course intent coding.
- Class size requirements: maximum/minimum.
- Whether to seek specialized accreditation.
- Implementation of assessment requirements.
- Policies about class and program fees.
- “Ownership” by deans/directors of building space.
- Other policies and practices that sustain “silos.”

Setting Priorities for Future Direction: Montana University System

October 13, 2016

Robert C. Dickeson

What Are The Three Most Significant Needs of the Montana University System?



2

Key Issues for Today

- ▶ 1. What is Prioritization?
- ▶ 2. Is this applicable to Montana campuses?
- ▶ 3. What are its benefits/pitfalls?
- ▶ 4. How have campuses in other states tackled Prioritization?



3

Why Do Institutions Undertake Prioritization?

- ▶ 1. To balance the budget (2-10% over 1-2 years)
- ▶ 2. To inform future budget decisions
- ▶ 3. To improve overall efficiency and effectiveness
- ▶ 4. To respond to accreditation, legislative, state demands
- ▶ 5. To dovetail with strategic planning efforts



Why Do Institutions Undertake Prioritization? (Continued)

- ▶ 6. To respond to demands from governing boards/public entities
- ▶ 7. To achieve strategic initiatives
- ▶ 8. To tackle specific shortfalls (unfunded liabilities, deferred maintenance, other)
- ▶ 9. To reinvest in new programs to strengthen the institution for the future
- ▶ 10. To create a contingency and reserve fund
- ▶ 11. To create a database that can be used as a management tool for the future

Why Do We Need to Set Priorities and Reallocate Resources?

6

External Pressures

- ▶ Multiple National Commissions and Reports Demanding Greater Focus and Accountability (From 2008 on)
- ▶ Reauthorization of the Higher Education Act Requiring Increased Scrutiny and Reporting In Areas Heretofore Within Institutional Province (New Areas Now Under Review)
- ▶ New Pressures on Accrediting Agencies to Prove Outcomes Commensurate with Investments In Higher Education (ongoing)
- ▶ National Goals for Increased Productivity, Including Doubling of College Graduates to Meet International Competition
- ▶ Montana Mandates, Imperatives, and Budget Cuts

Moody's Higher Education Outlook

- ▶ Net Tuition Revenues Continue Down
- ▶ Weak Economy Affects Families' Willingness and Ability to Pay for Higher Education
- ▶ Federal Budget Pressures on Financial Aid; Research
- ▶ Rapid Rise of Open Online Courses
- ▶ Pressures to Invest in
 - Capital
 - Information Systems
 - Faculty Compensation
 - Program Renewal

Iron Laws of Demographics

- ▶ College-Going Rates:
 - U.S. - 62.5%
 - Montana - 60.5%
- Import-Export Ratio of College-Going:
 - U.S. - 1.09
 - Montana - 0.97
- Enrollment of Adult Learners, 25-49:
 - U.S. - 7.0%
 - Montana - 5.5%

Diminishing State Support

- ▶ State & Local Support Per FTE Student:
 - U.S. - \$6,290
 - Montana - \$4,631 (44th)
- State & Local Support Per \$1,000 of Personal Income:
 - U.S. - \$5.82
 - Montana - \$4.72 (38th)
- Higher Education Appropriations as a Priority
 - U.S. - 6.6%
 - Montana - 5.7% (37th)

Institutions at Systemic Risk

- ▶ 10% - Selective Institutions - relatively unscathed
- ▶ 10% - Market-funded institutions - growing rapidly
- ▶ 80% - Institutions at Risk:
 - ▶ Massive, structural budget cuts
 - ▶ Legacy personnel issues
 - ▶ Deteriorating physical plants
 - ▶ Declines in gift income
 - ▶ Inadequate endowments
 - ▶ Unsustainable discounting

Institution Type	Percentage
Selective	10%
At-Risk	80%
Market	10%

18.7 Million

11

"Tenure"

Demand for Quality

- ▶ Three Reports in the Last Two Years:
- ▶ *What Will They Learn? (ACTA)* - Decries the malaise in the core - lack of rigor in General Education requirements. (Montana campuses got Cs and Ds)
- ▶ *Academically Adrift: Limited Learning on College Campuses (Arum and Roksa)* - More than a third of college seniors were no better at writing and reasoning than at their first semester of college.
- ▶ *Degree Qualifications Profile (Lumina)* - Identifies five spheres of learning, based in part on the Bologna Process in Europe.

12

Pace of Technological Change

- ▶ Students coming to campus with heightened expectations for advanced technology
- ▶ New, technology-driven delivery systems, academic and non-academic
- ▶ Technology and relationships, including pervasive use of social networking
- ▶ Students who learn online tripled in a decade (from 9.6% to 29.3%)
- ▶ Growth in Distance Learning Programs - Up from 11.6 to 27.8% in most recent year

13

Summary of External Forces

- ▶ Meeting Increased National and State Expectations
- ▶ Coping With Economic Pressures
- ▶ Confronting Demographic Realities
- ▶ Responding to Demands for Demonstrating Quality
- ▶ Keeping Up With Technological Changes
- ▶ Managing Resources Strategically

14

Achievement of MUS Success Agenda

- ▶ 1. Institutional Role Differentiation
- ▶ 2. Admissions Standards
- ▶ 3. Transferability
- ▶ 4. Community College Programs
- ▶ 5. Need-Based Financial Aid
- ▶ 6. Program and Service Alignment
- ▶ 7. Performance-Based Funding
- ▶ 8. Data and Information
- ▶ 9. Communication and Advocacy
- ▶ 10. Faculty and Staff Support

15

Internal Forces

- ▶ Current Budget Pressures
- ▶ Future Fiscal Sustainability
- ▶ Reinvestment to Seize Opportunities
- ▶ Achievement of Strategic Directions & Goals
- ▶ Meeting Accreditation Requirements for Evidence-Based Outcomes
- ▶ Live up to Our Guiding Principles:
 - *Systematic, Accountable, Inclusive, Flexible, Campus Connected, Statewide Focus, National Context*

16

How to Reconcile All These Forces?

- > Integrate Planning Efforts
- > Make Institutional Missions Operational
- > Focus Realistically on Resources
- > Reallocate Resources from Lower to Higher Priorities

17

Where Will the Resources Come From?

- More tuition and fees?
 - More gifts & grants?
 - More auxiliary income?
 - More endowment income?
 - More appropriations?
- Query: How much was left on the budget cutting-room floor last year?

18

THE MOST LIKELY SOURCE FOR NEEDED RESOURCES...

- ...IS REALLOCATION
- OF EXISTING RESOURCES

19

The Case for Prioritization

- ▶ Academic Programs are the heart of the institution and drive costs for the entire campus
- ▶ Academic Programs have been permitted to grow without regard to their relative worth
- ▶ Most campuses are striving to be all things to all people, rather than focusing

20

The Case for Prioritization (Cont'd)

- ▶ Growing incongruence between programs and resources to mount them with quality
- ▶ Traditional approaches (like across-the-board cuts) tend to mediocrity for all programs
- ▶ Reallocation is necessary and requires responsible prioritization

21

Unfortunate Reality:

- ▶ *The price of program bloat for all is impoverishment of each*

22

Most Efforts Have Been To:

- ▶ Focus on the non-academic side
- ▶ Defer physical plant maintenance
- ▶ Ignore academics as too politically volatile
- ▶ Make cuts across-the-board
- ▶ Make fortuitous cuts

23

The Inescapable Truth is...

NOT ALL PROGRAMS ARE EQUAL

- ▶ *Some are more efficient*
- ▶ *Some are more effective*
- ▶ *Some are more central to mission*

24

Focusing on Programs as the Unit of Analysis

25

What Constitutes a Program?

- ▶ Any activity or collection of activities that consumes resources (dollars, people, time, space, equipment)

- ▶ *If you believe in reincarnation, come back as an academic program and enjoy eternal life*

26

Typical Campus Programs

- >Major
- >Minor
- >General Studies
- >Service
- >Graduate/Professional
- >Certificate
- >Institute
- >Other

27

Setting Academic Priorities

- ▶ PROGRAMS, not departments

- ▶ PRIORITIZATION, not "Review"
(Reviews assume continuance, are not tied to resource allocation, and are not conducted simultaneously)

28

Program Prioritization Permits:

- ▶ Analysis focused on pre-selected criteria
- ▶ Concentration on resource development & resource utilization, independent of structure
- ▶ Focus on efficiency, effectiveness & centrality to mission
- ▶ Identifying opportunities to increase revenue, decrease expenses, improve quality, strengthen reputation

29

**Michael Porter
Harvard Business School:**

- ▶ Tough Decision: WHAT TO DO
- ▶ Tougher Decision: WHAT NOT TO DO
- ▶ Toughest Decision: WHAT TO STOP DOING

30

Selecting Appropriate Criteria

1. History, Development & Expectations of the Program
2. External Demand
3. Internal Demand
4. Quality of Inputs & Processes
5. Quality of Outcomes
6. Size, Scope & Productivity
7. Revenue and Other Resources Generated
8. Costs and Other Expenses
9. Impact, Justification & Overall Essentiality
10. Opportunity Analysis

31

Discussion:

- What Are the Most Important Criteria for the Montana University System?
- Would Criteria Differ Among the Institutions?
- What Relative Weights Would You Assign to These Criteria?
- What Sources of Data Will We Use to Support the Analysis?

32

How to Get Started

- Importance of Process—
 - Preparation
 - Process design and management
 - Communication planning
 - Data collection
 - The rating system
 - Levels of judgment
 - Ranking by categories
 - Decisions

33

Faculty/Staff/Deans/Directors

- Prepare data submissions for programs
- Review submissions for completeness and quality
- Provide any additional context for program submissions, as requested
- Implement program decisions

34

Identifying Responsible Leadership

- ▶ The Board
- ▶ The Presidents
- ▶ The Provosts
- ▶ The CFOs

35

Leadership...And Courage

- ▶ Where's leadership going to come from?
- ▶ Who will take on the Change Functions?
 - (See Dickeson, page 35)
- ▶ What will communicate more effectively?
- ▶ Who will be affected?
- ▶ How to concentrate on implementation?
- ▶ Is the Board on board?
- ▶ Will the reform endure?

36

Reaffirming Institutional Mission

- ▶ Operational Mission Statements
- ▶ Statements of Program Direction

• Pages 51-52, Dickeson, 2010

37

▶ *Most institutions can no longer afford to be what they've become*

38

Seeking Clarity

- ▶ Vague Language
- ▶ Political Considerations
- ▶ Accreditation Issues
- ▶ Changing Purposes

39

Fundamental Tensions

- ▶ The power of legacy
- ▶ Marketplace realities force differentiation
- ▶ Achieving true quest for excellence
- ▶ Reconciling Montana's multiple functions
- ▶ Enunciating specific ways to fulfill purposes

40

Focus:

- ▶ *The role and mission should permit only those activities that need to be done and that the institution and its people do well*

Key Steps:

- ▶ Announce in advance the specific criteria to be utilized
- ▶ Involve program faculty and staff in designing additional data formats to fit the criteria
- ▶ Decide what relative weights should be assigned the criteria
- ▶ Provide data to support the criteria
- ▶ Note that data do not substitute for sound judgments

Issues That Surface

- ▶ "Shouldn't the administration have to prioritize its programs, as well?"
- ▶ "Let us keep this program - it doesn't really take any resources"
- ▶ "This process can't be done on top of everything else we have to do"
- ▶ How does this process relate to our governance process?"
- ▶ "What's to become of the affected students?"
- ▶ How deep do we have to cut?
- ▶ Where are the saved resources going?

The Case for Prioritizing Non-Academic Programs

- ▶ 1. Opportunities for cost savings & cost sharing should be explored.
- ▶ 2. Outsourcing non-mission critical functions may be cost effective.
- ▶ 3. Middle management bulge is unsustainable.
- ▶ 4. Technological improvements may yield savings.
- ▶ 5. Process streamlining can save time and money.
- ▶ 6. Sources of hidden costs should be explored.
- ▶ 7. Restructuring/Collaboration can improve efficiencies.

44

New Criteria for Non-Academic Programs

- ▶ 1. Key objectives and how they are measured.
- ▶ 2. Services provided and to which customers, internal and external.
- ▶ 3. Position-by-position analysis.
- ▶ 4. Unmet needs and demands.
- ▶ 5. Opportunities for collaboration and restructuring.

45

New Criteria (Cont'd)

- ▶ 6. Opportunities to share skill sets and resources.
- ▶ 7. Opportunities for cross-training.
- ▶ 8. Technological improvements that are cost-effective.
- ▶ 9. Process improvements to streamline operations.
- ▶ 10. Outsourcing exploration to improve service and cut costs.

46

Implementing Program Decisions

- › Enrichment or expansion of existing programs
- › Addition of new programs
- › Reduction of programs
- › Consolidation or restructuring of programs
- › Elimination of programs
- › Legal, policy and accreditation implications
- › Maintaining the database for the future

47

Prioritization Checklist: Seven Phases

- › 1. Preparation and Readiness Phase
- › 2. Organizational Phase
- › 3. Data Collection Phase
- › 4. Analysis and Assessment Phase
- › 5. Decision-Making Phase
- › 6. Implementation Phase
- › 7. Evaluation Phase

48

Discussion: Special Montana Opportunities?

- › General Education cohesive?
- › Surplus properties being used at highest value?
- › Some programs with low or no enrollments?
- › Opportunities to strengthen and improve student learning outcomes?
- › Focusing on retention improvement?
- › Other opportunities to seize?

49

Discussion and Next Steps

50

Conclusion

- ▶ Reallocation of Resources is Necessary
- ▶ Prioritization of Programs is Possible
- ▶ With Courage and Leadership Your Institutions Can be Strengthened

51

Sources:

- ▶ Dickeson, R. C., *Prioritizing Academic Programs and Services*, Jossey Bass Publishers, 2010.
- ▶ Dickeson, R. C., "Unbundling the Issue of Productivity," *Planning for Higher Education*, Vol. 41, No. 2, January, 2013.
- ▶ Dickeson, R. C., *How to Engage Faculty in Academic Program Prioritization*, Academic Impressions, 2014.
- ▶ Dickeson, R. C., "Placing Academics at the Heart of Higher Education Planning," *Planning for Higher Education*, Vol. 43, No. 2, January 2015.

Program Prioritization

SCORING RUBRIC

Robert C. Dickeson

The purpose of the scoring rubric is to assure a high level of inter-rater reliability. Task Force members should rate programs and services, based on the data provided by offering departments, along the following three-score scheme. The scores – 1, 3 and 9 – are intended to force greater differentiation among program assessment results.

CRITERION	1: Minimal/Limited	3: Moderate	9: Exceptional/Significant
History, Development and Expectations	<i>The program or service meets the original expectations of the University</i>	<i>The program or service meets the original expectations of the University, and has demonstrated the ability to adapt to the changing needs of the University and its internal and external stakeholders</i>	<i>The program or service meets the original expectations of the University, and has demonstrated the ability to adapt to the changing needs of the University and its internal and external stakeholders, and demonstrates exceptional ability to anticipate change and build for the future</i>
External Demand	<i>Participation in the program/service is limited, its trend line is flat or declining, and raises questions about its efficacy</i>	<i>Participation in the program/service is moderate</i>	<i>Participation in the program/service is exceptional; it enjoys a positive trend line; it meets a variety of external policy expectations, and is seen as central to the University's future</i>
Internal Demand	<i>The program/service provides minimal or no service to other programs and services</i>	<i>The program/service provides moderate service to other University programs and services</i>	<i>The program/service provides exceptional service to other programs and/or services; such programs and services could not flourish without the service provided by this program</i>

Quality Inputs	<i>The overall quality of resources dedicated to this program is minimal and may be insufficient to mount the program with quality</i>	<i>The overall quality of resources dedicated to this program is sufficient to mount the program with quality</i>	<i>The overall quality of resources dedicated to this program is truly exceptional and stands among the very highest standards in the nation</i>
Quality Outcomes	<i>Measures of quality outcomes are limited and the program/service does not achieve the standard for “exemplary”</i>	<i>Measures of quality outcomes are sufficient to be seen as “exemplary,” but more work is needed to achieve consistency in performance</i>	<i>Measures of quality outcomes are truly exceptional; external validation of the quality of the program is unassailable and serves as a model for other programs and services of the University</i>
Size, Scope and Productivity	<i>The program/service serves a lesser number of people or entities; is limited in the range of its content; does not demonstrate a positive return of outputs viz. inputs</i>	<i>The program/service serves a moderate number of people or entities; facilitates a moderate range of content; demonstrates a neutral return of outputs viz. inputs</i>	<i>The program/service serves an exceptional number of people or entities; facilitates a comprehensive range of content; demonstrates a positive return of outputs viz. inputs</i>
Revenue	<i>Program/service generates little or no revenue on its own [Less than \$_____]</i>	<i>Program/service generates moderate revenue on its own [From \$_____ to \$_____]</i>	<i>Program/service generates exceptional revenue, sufficient to sustain the program without draining other resources of the University</i>
Costs	<i>Program/service costs exceed the norms for similar programs at other universities</i>	<i>Program/service costs are in line with norms for similar programs at other universities</i>	<i>Program/service costs are substantially lower than the norms for similar programs at other universities</i>
Impact	<i>There is minimal evidence that the program or service is mission-critical</i>	<i>There is moderate evidence that the program or service is mission-critical</i>	<i>The evidence suggests that there is an exceptional relationship between the program/service to the University’s mission. The program is integral to the University’s future</i>

Opportunity Analysis

Projections for the future of this program are unknown or tenuous; additional resources may be needed to maintain this program

Projections for the future of this program indicate a moderate potential for improvement and enhancement of the University's overall portfolio

Projections for the future of this program are exciting and hold great promise

PROGRAM PRIORITIZATION AT BOISE STATE UNIVERSITY

October 13, 2016



**BOISE STATE
UNIVERSITY**

Stacy Pearson
VP for Finance and Administration

Jim Munger
Vice Provost for Academic Planning

Scott Lowe
President of Faculty Senate and Professor of Economics

May, 2013 Idaho State Board of Education Directive: Engage in Program Prioritization

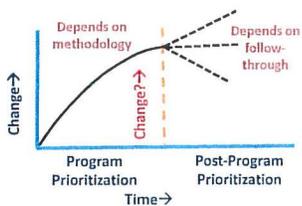
- Requirement—Follow the general model of Dickeson:
 - Include all academic and all administrative/support “programs”
 - Develop criteria, weightings, and metrics
 - Distribute programs into 5 groups of equal size (“quintiles”)
 - Develop plans for improvement and better alignment of resources
 - No explicit requirement to free-up budget or discontinue programs
 - Use substantial rigor and take substantive action
 - Develop plan for sustaining process over long term

Boise State University Context

- Emerging metropolitan research university
 - >20k enrollment (~15% graduate-level)
 - >\$30M research expenditures and growing
 - 11 doctoral programs; 6 launched in last 5 years
 - Only public four-year institution in southwest Idaho
- Fast growing metropolitan area (~665k population)
 - We have added programs to meet regional needs for higher education, particularly at graduate level
- Typically, Program Prioritization focuses on discontinuation of programs
 - However, Boise State *needs more, not fewer*, programs

Key Challenge: The process is lots of work...

- Common skeptical remark at outset, *“great....another pointless waste of time...”*
- Given the amount of investment needed:
 - Extract maximum value from process
 - Ensure that the value endures



Our Methodology

Who did the work?

- Organization and process development
- Scoring, Ranking, Recommending of Actions

Common Approach: Giant Oversight Committee

- Not connected directly to programs being evaluated
- Develops and oversees process
- Scores programs and assigns rankings
- Assigns to quintiles and recommends actions

Our Methodology

Who did the work? At Boise State, three groups:

1. **Executive Team:** President and VPs oversaw process
2. **Small coordinating committee:**
 - Representatives from Academic Affairs and from Administrative/Support divisions
 - Provided consistency across University
 - Direct connection to VPs and President
 - Communication to campus

<p>Metrics for Academic Programs:</p> <ul style="list-style-type: none"> • Multiple drafts • Responsive to feedback from faculty senate, department chairs, deans, faculty members 	<p>Process for Administrative and Support Programs:</p> <ul style="list-style-type: none"> • Draft to campus; feedback via divisions
<p>2. Small coordinating committee:</p> <ul style="list-style-type: none"> ▪ Representatives from Academic Affairs and from Administrative/Support divisions ▪ Provided consistency across University ▪ Direct connection to VPs and President ▪ Communication to campus ▪ Developed methodology for all programs 	<p>Criteria for evaluation:</p> <ul style="list-style-type: none"> • Draft to campus; feedback via survey

Our Methodology

Who did the work? At Boise State, three groups:

1. **Executive Team:** President and VPs oversaw process
2. **Small coordinating committee:**
 - Representatives from Academic Affairs and from Administrative/Support divisions
 - Provided consistency across University
 - Direct connection to VPs and President
 - Communication to campus
 - Developed methodology for all programs
 - Produced data, scores, ranks for academic programs

Our Methodology

Who did the work? At Boise State, three groups:

1. **Executive Team:** President and VPs oversaw process
2. **Small coordinating committee**
3. **Those responsible for eventual actions**
 - VPs for each division (e.g., Finance, Student Affairs, etc.) and their teams
 - Scoring, ranking, quintiles, decisions within division
 - Deans for each college
 - Decisions within college

Criteria for evaluation of programs:

- Relevance
- Quality
- Productivity
- Efficiency

Applicable to:

- Academic programs
- Administrative & Support programs

Remainder of process differed substantially between Academic programs and Administrative & Support programs

Academic "Programs" evaluated in three phases:

- Sub-degree Program Components (159 programs)
- Degree programs (135 programs)
- Departments (45 programs)

<p>Phase One: Program components: Minors, emphases, etc.</p> <p>Minor in Biology ← B.S. in Biology --Botany emphasis ← --Ecology emphasis ← --Cell Bio emphasis ← --Zoology emphasis ←</p>	<p>Individual program components evaluation based on one thing only:</p> <ul style="list-style-type: none"> If low number of graduates: <ul style="list-style-type: none"> ✓ Fix it OR ✓ Justify it OR ✓ Discontinue it No quintiles and no further consideration Phase One made it difficult to take an easy way out, e.g., discontinue an emphasis or a minor
---	--

Academic "Programs" evaluated in three phases:

- Sub-degree Program Components (159 programs)
- Degree programs (135 programs)
- Departments (45 programs)

<p>Phase One: Program components: Minors, emphases, etc.</p> <p>Minor in Biology B.S. in Biology --Botany emphasis --Ecology emphasis --Cell Bio emphasis --Zoology emphasis</p>	<p>Phase Two: Degree programs</p> <p>B.S. in Biology</p>
---	---

Criterion	Metric
Relevance	<p>Phase Two: Degree programs</p> <p>Metrics developed:</p> <ul style="list-style-type: none"> Relevant to criteria Extensive input from faculty
Quality	
Productivity	
Efficiency	

Criterion	Metric
Relevance	Junior-senior enrollment
	Enrollment for graduate programs
Quantitative Data	
Quality	
Productivity	Annual number of graduates
	Annual graduates per year per \$100k instructional cost
	Annual graduates per year per tenured/tenure-track faculty FTE
Efficiency	Annual graduates per enrolled student
	Average credits at graduation (baccalaureate native students only)
	Direct instructional cost per student credit hour (SCH) as a % of peers (using Delaware Study)
	Average time to degree & Program attrition (doctoral degrees only)

Criterion	Metric
Relevance	Junior-senior headcount enrollment
	Enrollment for graduate programs
	Alumni Survey - preparation for work and further education
	Alumni Survey - contribution of department/major to civic engagement
Student Survey Data	
Quality	Graduating Student Survey – satisfaction with program
	Graduating Student Survey - perceived quality of faculty
Productivity	Average number of graduates
	Annual graduates per year per \$100k instructional cost
	Annual graduates per year per tenured/tenure-track faculty FTE
	Annual graduates per enrolled student
Efficiency	Annual credits at graduation (baccalaureate native students only)
	Direct instructional cost per student credit hour (SCH) as a % of peers (using Delaware Study peer data)
	Average time to degree & Program attrition (doctoral degrees only)

Criterion	Metric
Relevance	Junior-senior headcount enrollment
	Enrollment for graduate programs
	Alumni Survey - preparation for work and further education
	Alumni Survey - contribution of department/major to civic engagement
Evaluation of Plan for Assessing Program Learning Outcomes	
Quality	Graduating Student Survey – satisfaction with program
	Graduating Student Survey - perceived quality of faculty
Productivity	Program Assessment Plan overall rubric score
	Average number of graduates
	Annual graduates per year per \$100k instructional cost
Efficiency	Annual graduates per year per tenured/tenure-track faculty FTE
	Annual graduates per enrolled student
	Annual credits at graduation (baccalaureate native students only)
	Direct instructional cost per student credit hour (SCH) as a % of peers (using Delaware Study peer data)
	Average time to degree & Program attrition (doctoral degrees only)

Scored using Rubric:
Team of five faculty members
(not in same college as
evaluated department)

Criterion	Metric
Relevance	Junior-senior headcount enrollment
	Enrollment for graduate programs
	Alumni Survey - preparation for work and further education
Quality	Alumni Survey - contribution of department/major to civic engagement
	Dept essay: contribution to mission, core themes, and strategic plan.
	Dept essay: changes to meet student and community needs
Productivity	Dept essay: success of and demand for graduates
	Graduating Student Survey - satisfaction with program
	Graduating Student Survey - perceived quality of faculty
Efficiency	Dept essay: program distinctiveness and reputational contribution
	Program Assessment Plan overall rubric score
	Average Departmental responses to questions about each program (200 word essays)
	Annual graduates per year per tenure/tenure-track faculty FTE
	Annual ()
	Scored using rubrics by faculty teams (not in same college as evaluated department)
	Direct in Delaware peers (using only)
	Average (only)

Metrics evaluate program in each criterion area

- > Resulting scores used to calculate percentiles
- > Resulting in ranking

Degree	Plan name	Relevance average %ile	Quality average %ile	Productivity average %ile	Efficiency average %ile	College-level percentiles (pink is lowest quintile)	Flag number of graduates (bacc+10, mas<5, ge<5, doc<2)
B.S.	Garbology	15%	34%	31%	60%	33%	Flag
M.S.	Garbology	23%	50%	27%	29%	27%	Flag
BA	Civilization Studies	49%	61%	48%	48%	80%	
BA	Penguin Studies	12%	32%	35%	43%	10%	
BA	Irreproducible Results	48%	45%	57%	53%	73%	
PHD	Irreproducible Results	26%	51%	26%	63%	47%	Flag
						61%	Flag
						100%	Flag

Quintiles determined at College-level:

- Therefore each college had a 5th quintile
- Substantive change required of 5th quintile programs

Each college had substantial work to do

Additional "hoop":
Threshold for # of Graduates

Academic "Programs" evaluated in three phases:

- Sub-degree Program Components (159 programs)
- Degree programs (135 programs)
- Departments (45 programs)

Phase One:	Phase Two:	Phase Three:
Program components: Minors, emphases, etc.	Degree programs	Academic Departments
Minor in Biology	B.S. in Biology	<ul style="list-style-type: none"> All aspects of department: instruction, research, service 44 metrics BUT Not assigned to quintiles Actions required regarding <ul style="list-style-type: none"> Progression to degree efficiency Instructional efficiency
B.S. in Biology - Botany emphasis - Ecology emphasis - Cell Bio emphasis - Zoology emphasis		

Administrative and Support Programs

Step One: Identify programs (240 total)

- What made sense for analysis and action
- Evolved during process

President's Office	Academic Affairs	Finance & Admin	Student Affairs
>Athletics (6 programs)	>eCampus	>Budget Office	>Registrar's office
>Marketing & Comm (4 programs)	>Graduate College	>Affirm. Action	>Financial Aid
>Public Radio	>Gen Ed program	>OIT help desk	>Admissions
>etc.	>Library (5 progr)	>Payroll	>Bookstore
	>etc.	>etc.	>etc.

Research & Economic Development	Campus Operations & General Counsel	Univ Advancement & Foundation
>Research Compliance	>Landscaping	>Alumni Relations
>Pre- and Post-award	>Parking	>Annual Giving
>Technology Transfer	>Compliance	>Prospect research
>Centers and Institutes	>Campus Security	>Univ Foundation
>etc.	>etc.	>etc.

Step Two: Units respond to questionnaire

Criterion	Selected questions	
Relevance	• Alignment with University's mission & strategic plan.	> Essay
	• Essentiality of function, e.g., required for compliance?	> Essay
Quality	• How are quality and effectiveness assessed?	>Describe metrics
	• Evidence of quality and effectiveness?	> Metric values
Efficiency	• Benchmark data re: resources used	> Metric values
	• Operations that generate revenue or result in cost savings	> Essay
Productivity	• How is the program's impact measured?	>Describe metrics
	• Evidence re: work volume	> Metric values
	• Evidence re: impact	

Step Three: Scoring, ranking, decisions

- **Scoring by Team in Each Division (often leadership)**
 - Typically included representation from other divisions
- **At-length, honest discussion by Team:**
 - Substantial context because expertise in room
 - Often evolved to changes to organizational structure
 - Everyone knows your business: Difficult to manipulate scoring
- **Result: rank programs, establish quintiles, develop action plans**
- **Resources reallocated within divisions, not among them**
- **Final decision by division Vice President**
- **Report to President and other VPs**

Key points in Methodology:

- **Decentralized responsibility:**
 - No Giant Committee: Instead those responsible for implementing actions (Deans and VPs) made final decisions
 - Scoring, ranking, & decisions by those who understand context
 - Departments/units typically decided what actions to take
 - ✓ "Take substantive action, but you figure out what"
 - Result:
 - Honest ranking of programs and discussion of issues instead of gaming system
 - Focus on improvement
 - Changes to organizational structure
 - Substantial ownership of, and buy-in to, the process
- **Decentralized resource reallocation in Admin/Support**
 - No threat to division
 - Strategic decisions about resource allocation

Key points in Methodology:

- **Avoided non-substantive changes**
 - Easy-to-sacrifice programs off the table (e.g., emphases and minors)
 - Multiple hoops: ranking AND threshold # of graduates
 - Hard and fast 20% per college or division: substantive action required
 - We discounted cosmetic changes (e.g., "merging" programs)
- **Did not focus on "look how much \$\$ we saved!!!"**
 - Too easy to game it; too difficult to measure with accuracy
- **Flexibility and adaptability, e.g.,**
 - Did not put academic departments into quintiles
 - Delineation of any particular "program" easily changed if it made sense

Key points in Methodology:

- **Broad participation in nuts and bolts**
 - Metrics for academics initially developed in workshop of Department Chairs
 - Feedback on metrics and process from Faculty Senate, Chairs, and Deans
 - Faculty teams scored Quality/Relevance essays and Program Assessment Plans
 - Leadership teams did scoring within each division
 - Administrative & Support units developed relevant metrics
- **Lots of communication, especially to groups**
 - Announcement by President during fall address
 - Presentations to all Admin/Support divisions and many units
 - Presentations to Faculty Senate, Dept Chairs, Deans
 - Open question/answer sessions
 - Website with all materials

About Sustaining the Value of Program Prioritization

Key Challenge: The process is lots of work...

- Common skeptical remark at outset, "great....another pointless waste of time..."
- Given the amount of investment needed:
 - Extract maximum value from process
 - Ensure that the value endures

NOW... About Sustaining the Value of Program Prioritization

What did we do?

1. Followed up on actions: Talled accomplishments and ensured that changes persisted
2. Incorporated what we learned into our ongoing processes
3. Tied the principles to must-do activities, e.g., accreditation and budgeting
4. Implemented major, long-lasting, difficult-to-reverse actions
5. Created "agents of change" to cause even more change

Follow-up on Actions: tally accomplishments

Administrative and Support Programs:
Completion of Proposed Actions

Division	As of August, 2014		As of May, 2016			Percent complete or in progress or not relevant
	Number of Programs	Number of Actions Proposed	Actions no longer relevant or desirable	Action completed	Action in progress	
Academic Affairs						
Advancement and University Foundation						
Campus Operations and General Counsel						
Finance and Administration						
President's Office						
Research and Economic Development						
Student Affairs						
Total:	203 programs	318 actions proposed	10 (3%)	187 (59%)	109 (34%)	96%

Incorporate what we learned into our processes

Academic Departments: "Program Review"

- **Prior to Program Prioritization:** cumbersome self study, spotty consideration of data
- **During Program Prioritization**
 - Many metrics developed: degree programs and departments
 - Metrics in context of peers and per resource
 - Discussion in departments and with dean: future directions
- **After Program Prioritization:**
 - Abandoned traditional "Program Review" – no self study
 - New: "Integrated Review of Academic Programs"
 - Assessment of Program Learning Outcomes
 - Annual Analytics Report: uses Program Prioritization metrics
 - Strategic Review and Action Planning: Facilitated planning sessions

Tie the principles to must-do activities

Accreditation:

- **Northwest Commission on Colleges and Universities**
 - Standards ask: How well does institution fulfill mission?
 - We use this as basis to evaluate contributions of the units that comprise the university.
- **During Program Prioritization:** Evaluated units
 - Metrics were developed to measure
 - ✓relevance
 - ✓quality
 - ✓productivity
 - ✓efficiency
- **After Program Prioritization:** Much work to be done
 - Refining metrics to ensure valid evaluation
 - Developing sustained, systematic evaluation protocols
 - Creating: "Integrated Review of Administrative and Support Units"

Tie the principles to must-do activities

Budget Model:

- **Prior to Program Prioritization:** typical incremental model
 - Little sensitivity to productivity, efficiency, quality, relevance
- **During Program Prioritization:**
 - Metrics were used to evaluate academic departments and programs
 - Used as a foundation for budgetary decisions FY15
- **After Program Prioritization:**
 - Developing new Incentive-based Budget Model:
 - Funding will follow productivity
 - Ensure quality & relevance

Make substantive, long-lasting, difficult-to-reverse changes during Program Prioritization

Division of University Advancement & BSU

Foundation:

- Program Prioritization revealed
 - Needed more gift officers and more research capability
 - An associate vice president not needed
- In Response: Dissolved AVP position and reallocated:
 - Additional gift officers
 - Additional research and analytic capacity
- **Successful, no reason to go back**

Make substantive, long-lasting, difficult-to-reverse changes during Program Prioritization

Division of Campus Operations:

- Found substantial duplication and lack of consistency in business operations in various units of division
- Created integrated business operations unit for division
- **Successful, no reason to go back**

Create "agents of change" to create more change

Systems and Process Improvement (S&PI) Group

Division of Finance and Administration

- **First Quintile although new**
 - Created to facilitate process improvement within the division
 - A model for other divisions
- **Recent huge role: Implement Oracle Financial Cloud**
 - Typically:
 - A project by IT that is imposed on campus
 - No change to underlying business processes
 - Change "managed" and hope for the best
 - **Instead: S&PI *facilitated change***

Create “agents of change” to create more change

Systems and Process Improvement (S&PI)

- Implementation of the Cloud AND Revision of business processes
- Accomplished via three layers of campus engagement
 - Campus Engagement Team (traditional)
 - Facilitated Focus Groups (new)
 - Small Group Meetings – (new): Redesign sessions with campus units

Reactions from faculty members two years after the end of the process (in September 2016):

For your program or department, what were the strengths of the PP process at BSU?

- “[Program Prioritization allowed us to] reward programs that are student centered, efficient and productive... [and] to keep asking the tough questions for those programs that are not.”

Reactions from faculty members two years after the end of the process (in September 2016):

Were there aspects of the process that we should emphasize if we were to conduct a follow-up PP?

- “...replace the periodic reviews we do every 5 years with a campus wide [Program Prioritization] process - the campus would benefit from everyone going through the same process at one time rather than a sporadic sputter of programs each year.”

Reactions from faculty members two years after the end of the process (in September 2016):

What were the weaknesses of the PP process here at BSU?

- "Inaccurate data lead to incorrect statistics and decisions. Ensure the data used is accurate."
- "Don't push it through in a year. If worth doing, take two years. One to decide upon the process and expectations (and establish "buy in"), and the second to make it happen."

Reactions from faculty members two years after the end of the process (in September 2016):

Advice to colleagues at a different school considering going through BSU's process?

- "Communication is key! How the messages are communicated once decisions are made [is] critical [to] success. People need to understand the "why" behind the decisions..."
- "[Communicate] that the process/review is more than a cost cutting activity. That needs to be stated and more importantly demonstrated throughout..."

Reactions from faculty members two years after the end of the process (in September 2016):

Advice to colleagues at a different school considering going through BSU's process?

- "Be willing to address the tough questions and put the resources with the appropriate departments... Tough decisions have to be made to move forward with limited resources."
- "...the process can be used to justify decisions already made. [The process] can be useful, but can all too easily be used to rationalize cutting or underfunding important programs, or advancing pet projects."



More detailed responses from faculty in September, 2016

- 1) *In hindsight, in a sentence or two (and please be brief,) for your program or department, what were the strengths of the PP process here at BSU? Were there aspects of the process that we should (continue to?) emphasize if we were to conduct a follow-up PP?*
- "[Program Prioritization allowed us to] reward programs that are student centered, efficient and productive... [and] to keep asking the tough questions for those programs that are not."
- "I think [Program Prioritization] was a good opportunity for self-reflection, taking stock, and setting some goals. Anyone leading a program is doing this day-to-day, but periodically compelling the group to have these conversations and put things on paper is a good thing."
- "The strengths of this [Program Prioritization] process were that all departments were looking at the data together and at the same time, so there was transparency and ability to discuss context between departments/programs. I think reviewing data as a department regularly, setting benchmarks, and reviewing our progress at regular intervals has value for departments and programs."
- "If I could, I'd replace the periodic reviews we do every 5 years or so with a campus wide periodic review through this [Program Prioritization] process - bring in external reviewers all at once - the campus would benefit from everyone going through the same process at one time rather than a sporadic sputter of programs each year."

More detailed responses from faculty in September, 2016

- 2) *Again, in a sentence or two, for your program or department, what were the weaknesses of the PP process here at BSU? What was broken, and is it fixable if we were to conduct a follow up PP?*
- "Inaccurate data lead to incorrect statistics and decisions. Ensure the data used is accurate."
- "In a small department [that is] pressed for time, writing this up fell on the chair. For most of the year the expectations were a moving target. As a result it was rushed and not as collective a process as it should have been (we may be an outlier, but probably not by much)."
- "Don't push it through in a year is my advice. If this is worth doing, take two years. One to decide upon the process and expectations (and establish "buy in"), and the second to make it happen."
- "The weaknesses were in how the data were presented - in a department with several programs, and all faculty supporting those programs, we still had to write action plans on each program and explain/justify/contextualize how the low numbers at the program level became stronger when viewed at the level at which the resource base supported them."
- "There are also other metrics that are useful for some programs, such as research and creative activity, rather than simple graduates/undergraduates/degrees awarded metrics."

More detailed responses from faculty in September, 2016

- 2) Again, in a sentence or two, for your program or department, what were the weaknesses of the PP process here at BSU? What was broken, and is it fixable if we were to conduct a follow-up PP? (continued)
- "Relevance and quality [were taken] out of the metrics because of the differences in how programs were presented in that phase, but those are exactly the way that programs such as visual arts, humanities, performing arts, etc. should be reviewed"
- "If memory serves correctly, initially departments were told that the PP process would help identify "weaker" programs that could then be targeted for improvement (e.g., additional funding, more instructors, etc.). I am not convinced that occurred. Furthermore, at the start of the process I understood that each college would "rank" programs from top to bottom. Then all programs would be reviewed at the university level. A low ranked program in COBE could be ranked much higher when the overall university review occurred. However, I believe I heard that the decision was that no college could escape the review without some programs being identified as "weak", so that all colleges "shared the pain". I did not have that understanding at the start of the process. I was skeptical going into the process that much would come from it. It would be nearly impossible to reallocate resources away from programs to weaker ones, and programs, even those with small enrollments may be critical to a university. For example, how low would the number of English majors need to be before any university decided to eliminate or reassess their English department? You can ask that same question about almost any major."

More detailed responses from faculty in September, 2016

- 3) Is there any advice that you would give to colleagues at a different school if they were to begin the same [identical] process to the one that we conducted here at BSU?
- "Communication is key! How the messages are communicated once decisions are made play a critical role in the success. People need to understand the "why" behind the decisions that are made."
- "Be willing to address the tough questions and put the resources with the appropriate departments. It's no different than corporate life. Tough decisions have to be made to move forward with limited resources."
- "I think that the process can be used to justify decisions already made. I think that program prioritization can be useful, but can all too easily be used to rationalize cutting or underfunding important programs, or advancing pet projects. I would advise faculty to be mindful of that."
- "Advice - The reason for the PP process should be identified and shared up front with faculty, and faculty should be invested in the reasons up front if possible. Is this a budgetary process or quality review process? Are programs/departments at risk of closure through this process? Will low ranked programs be given ample time and resources (as was promised here) to improve before they are closed. We were told that programs were not going to be closed as a result of this process, then CRP. CRP was seemingly not given time, but there may have been issues and benchmarks given them prior to the process. Still, the appearance, at least, of being an example is not a good one."
- "Perhaps have different metrics for STEM/Health Sciences/COBE/Social Sciences/Arts and Humanities, as these groups each have a different role at the university and community"
- "Needs to be communicated that the process/review is more than a cost cutting activity. That needs to be stated and more importantly demonstrated throughout the review."

Institutional Portfolio Management and Program Prioritization

Montana University System

Anne Milkovich, EdD

October 13, 2016

Background

- EdD in Higher Ed Administration (MSU)
- Master's in Business Administration (UM)
- 10 years experience in higher education
- 10 years experience in private sector business
- 10 years experience in public/private consulting

Research

- Dissertation in program prioritization and its parallels with portfolio management
 - Qualitative study of 25 institutions undertaking program prioritization (ASHE)
 - Descriptive study of institutional characteristics associated with program prioritization (SCUP)
 - Theory building on the paradox of incremental success in support of integrated planning (SCUP)
 - Theory building proposal of Institutional Portfolio Management as a framework to improve institutional performance (EDUCAUSE Review)

Qualitative Study

- Purpose: Identify relationship between process and outcomes, discover any patterns
- Method: Qualitative analysis of 20 interviews with presidents or provosts leading program prioritization
- Findings: Relationship emerged between Strategic Approach and Strategic Drivers with highly-ranked outcomes
- Conclusion: Intent and process are predictive of outcomes

Tabulated Findings

IHE	ReelsAs	Strategic Directs	Strategic Approach	Process Openness	Process Partnership	Institutional Culture	Institutional Resilience	Board Engagement	Leadership Engagement
CDM_34	#7	7	High	Neutral	Undeveloped	Weak	Strong	High	High
CDM_32	#6	6	High	Open	Developed	Neutral	Neutral	High	Unknown
CDM_33	#5	5	High	Open	Neutral	Weak	Unknown	High	Unknown
CDM_36	#8	3	Low	Neutral	Undeveloped	Unknown	Unknown	Low	Unknown
CDM_35	#3	7	Neutral	Open	Developed	Strong	Strong	Unknown	Weakened
CDM_38	#2	2	Low	Closed	Undeveloped	Unknown	Strong	High	Unknown
CDM_39	#1	1	Low	Closed	Undeveloped	Unknown	Unknown	Unknown	Low

Descriptive Study

- Purpose: Identify relationship between institutional characteristics and program prioritization
- Method: Descriptive study of IPEDS variables, $n=62$ compared to delimited IPEDS population
- Findings: Statistically significant association of Type, Size, Land Grant, Carnegie Class
- Conclusion: Mission fragmentation explains tendency to initiate program prioritization

Tabulated Findings

VARIABLE	Ratio of Observed to Expected Frequencies
SECTOR**	
2 year	0.2
Private 4 year	0.8
Public 4 year	2.7
SIZE CATEGORY***	
Under 5,000	0.5
5,000 - 9,999	1.5
10,000 - 19,999	2.2
20,000 and Above	3.5
LAND GRANT***	
Not Land Grant	0.9
Land Grant	4.0
CARNEGIE CLASS***	
Associate's	0.2
Baccalaureate Colleges	0.9
Master's Colleges and Universities	2.2
Research and Doctoral/Research	4.0

3 Review. With necessary information compiled, the existing portfolio is reviewed to determine whether the proposed investment has the potential to improve overall performance compared to other programs and opportunities. The portfolio reviewers are appointed according to the culture of the institution, including executives and governance representatives as appropriate. If the proposed investment is adopted, resources within the portfolio must be realigned to accommodate it—the money has to come from somewhere. Once funded, the proposed investment enters the portfolio as a new program.

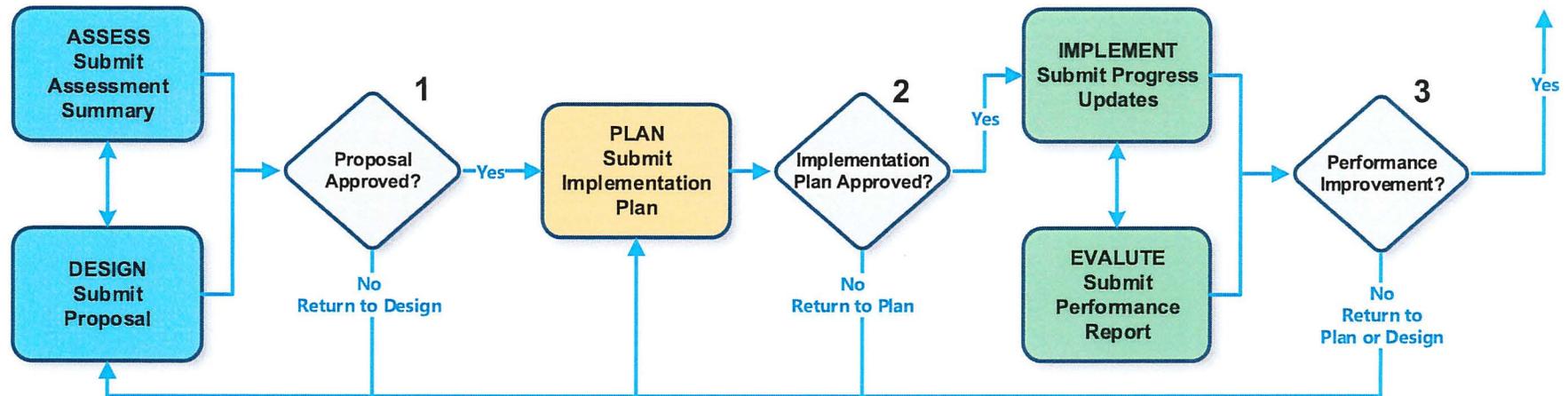
4 Investment. In the investment cycle, a new project or program is planned, developed and/or acquired according to standard practices, then executed along with the rest of the portfolio.

5 Recalibration. A new proposed investment is a trigger to review and recalibrate the portfolio by realigning resources. Any additional information could also trigger a review, such as a revised strategic plan, a new budgeting cycle, or new market information. Even without new information, the portfolio should be regularly reviewed, at least annually, to assess opportunities for improvement.

[Enter Program Name]			
OVERVIEW			
Program Manager		Last Updated	
Email		Phone	
College		Dean	
Department		Chair	
ALIGNMENT (Benefit)			
History	<i>[Describe the history, development, or expectations of the program]</i>		
Strategic Objectives	<input type="checkbox"/> Strategic Priority One <input type="checkbox"/> Strategic Priority Three <input type="checkbox"/> Strategic Priority Two <input type="checkbox"/> Strategic Priority Four		
External Demand	<i>[Describe the external demand for the program]</i>		
Internal Demand	<i>[Describe the internal demand for the program]</i>		
Impact	<i>[What other positive impact does the program bring to the institution?]</i>		
VALUE (Cost-Effectiveness)			
Faculty Time	<i>[Describe the faculty time needed by this program.]</i>	<i>[enter FTE]</i>	<i>[enter cost]</i>
Staff Time	<i>[Describe the staff time needed by this program.]</i>	<i>[enter FTE]</i>	<i>[enter cost]</i>
Administrator Time	<i>[Describe the administrator time needed by this program.]</i>	<i>[enter FTE]</i>	<i>[enter cost]</i>
Technology Costs	<i>[Describe the equipment and staffing needed by this program.]</i>	<i>[enter FTE]</i>	<i>[enter cost]</i>
Space Costs	<i>[Describe the space needed by this program.]</i>	<i>[enter SqFt]</i>	<i>[enter cost]</i>
Operations Costs	<i>[Describe other general operations costs needed by this program.]</i>		<i>[enter cost]</i>
Revenue	<i>[Describe the revenue generated by this program.]</i>		<i>[enter rev]</i>
Productivity	<i>[Describe the productivity of this program.]</i>		<i>[enter ratio]</i>
Opportunity	<i>[Describe the opportunity alternative to this program.]</i>		<i>[enter net]</i>
RISK (Probability of Success)			
Quality of Inputs	<i>[Describe the quality of inputs relative to comparable programs.]</i>		
Quality of Outputs	<i>[Describe the quality of outputs relative to comparable programs.]</i>		
INVESTMENT (Goals)			
Program Goals	<i>[Describe the goals this program aspires to.]</i>		
Additional Investment	<i>[Describe the investment needed to achieve goals.]</i>		<i>[enter cost]</i>
SUMMARY	Alignment	0%	Cost 0%
			Risk 0%
			Investment 0%

[Enter Program Name]		
CATEGORY	OBJECTIVE	VALUE
ALIGNMENT (Benefit)		
History	Program has high historical value to the institution.	0
Strategic Objectives	Program directly addresses all strategic objectives.	0
External Demand	Program attracts high demand from external constituents.	0
Internal Demand	Program has high internal demand from a majority of other programs.	0
Impact	Program has high impact on the values, traditions, and meaning of the institution.	0
VALUE (Cost-Effectiveness)		
Faculty Time	Cost of faculty time is low.	0
Staff Time	Cost of staff time is low.	0
Administrator Time	Cost of administrator time is low.	0
Operations Costs	Cost of operations is low.	0
Space Costs	Cost of space is low.	0
Technology Costs	Cost of technology is low.	0
Productivity	Productivity of outputs to inputs is high.	0
Revenue	Ratio of revenue to cost is high.	0
Opportunity	Opportunity cost is low.	0
PROBABILITY OF SUCCESS (Risk)		
Quality of Inputs	Quality of inputs is high compared to comparable programs.	0
Quality of Outputs	Quality of outputs is high compared to comparable programs.	0
INVESTMENT		
Program Goals	Programs goals are aspirational and doable.	0
Additional Investment	Additional investment required to meet goals is low.	0

Strategic Plan Execution



1 RESOURCE CASE

1.1 Team assesses present state and designs strategies to improve goal metrics.

1.2 Team prepares Proposal to justify strategies with costs and expected benefits.

1.3 Team submits Assessment Summary and Proposal for approval.

Cabinet approves & funds Proposals.

2 IMPLEMENTATION PLAN

2.1 Team develops Implementation Plan including action steps, resources, and schedule.

2.2 Team submits Implementation Plan for approval.

Steering Committee approves Implementation Plans.

3 PERFORMANCE REPORT

3.1 Team executes Implementation Plan and submits regular progress reports.

3.2 Team tests metrics to determine efficacy of strategies and execution and adjusts as needed, including proposing new strategies if necessary.

3.3 Team submits Performance Report annually.

Sponsors & Steering Committee monitor progress.

RESULTS

If Performance Indicator improves sufficiently, everyone wins!

If Performance Indicator does not improve sufficiently, Team Returns to Plan or Design.

Cabinet evaluates results.

STRATEGIC PLAN PROPOSAL

Strategy	<i>[Type in a brief name for this strategy that people can refer to it by.]</i>		
Priority	Select		
Goal	Select		
Sponsor		Date	
Goal Perf Indicator		Target	<i>[How much?]</i>
Goal Perf Indicator		Target	<i>[How much?]</i>
Goal Perf Indicator		Target	<i>[How much?]</i>

DESCRIPTION

Opportunity	<i>[Based on your assessment of the present state, what opportunity or deficiency are you trying to address?]</i>
Proposed Strategy	<i>[Describe the strategy or actions you want to implement to address the deficiency or opportunity.]</i>
Alternative Solutions	<i>[What other strategies are available to address the deficiency or opportunity and why do you prefer the one you are proposing?]</i>
Success Factors	<i>[A success factor is something that absolutely must happen for a strategy to succeed. What are the success factors of your proposed strategy?]</i>
Risk Factors	<i>[What are the risks involved if we invest in this strategy? What are the risks involved if we don't?]</i>
Timeline	<i>[Describe the general timeline you are picturing for this strategy, i.e. when you want to start, how long it will take, when you expect to see results.]</i>

RESOURCE REQUIREMENTS

Upfront Requirements	<input type="checkbox"/> Staffing <input type="checkbox"/> Capital <input type="checkbox"/> Operations <input type="checkbox"/> Outside Services <input type="checkbox"/> New Positions <input type="checkbox"/> Space			
Describe	<i>[Check the appropriate boxes to select the type of resources required at the start of the investment, then briefly describe here. Either manually calculate the costs and enter below or use the Cost Worksheet to calculate and enter them for you. Staffing costs include time spent by current or new positions.]</i>			
Upfront Staffing	\$	-	Upfront Cash Outlay	\$
Ongoing Requirements	<input type="checkbox"/> Staffing <input type="checkbox"/> Capital <input type="checkbox"/> Operations <input type="checkbox"/> Outside Services <input type="checkbox"/> New Positions <input type="checkbox"/> Space			
Describe	<i>[Check the appropriate boxes to select the type of resources required on an ongoing basis, then briefly describe here. Either manually calculate the annual/ongoing costs and enter below or optionally use the Cost Worksheet to calculate and enter them for you. Staffing costs include time spent by current or new positions.]</i>			
Annual Staffing	\$	-	Annual Cash Outlay	\$

COMMENTS AND RECOMMENDATIONS

OPTIONAL WORKSHEET

Upfront Product Acquisition Costs		
Resource	Description	Estimated Cost
		\$ -
		\$ -
		\$ -

Upfront Service Acquisition Costs	
Description	Estimated Cost
	\$ -

Upfront Existing Resources		
Resource	Description	Estimated Cost
		\$ -
		\$ -
		\$ -

Upfront Staffing Costs						
Role	Description	New?	Hours	Salary	Calculated Cost	
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
Role	Description	New?	Hours	Hourly	Calculated Cost	
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-
		<input type="checkbox"/>		\$ -	\$	-

Ongoing Annual Costs		
Type of Cost	Description	Annual Cost
<input type="checkbox"/> New Staffing		\$ -
<input type="checkbox"/> Existing Staffing		\$ -
<input type="checkbox"/> Faculty Time		\$ -
<input type="checkbox"/> Ongoing Services		\$ -
<input type="checkbox"/> Product Licensing		\$ -
<input type="checkbox"/> Support & Maintenance		\$ -
<input type="checkbox"/> Other Ongoing Costs		\$ -
<input type="checkbox"/> Other Ongoing Costs		\$ -
<input type="checkbox"/> Other Ongoing Costs		\$ -

How do the costs of the alternative solutions compare to this solution? Describe or attach