President's Success Goal 5 – Effectiveness and Efficiency
Achieve maximum effectiveness and efficiency in serving our communities and constituencies across our university system

A discussion prepared by the Effectiveness and Efficiency Work Group:
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Background and Definitions

Effectiveness

Effectiveness is the degree to which we accomplish items in the stated mission and clarified in BTV Goals and Objectives. Effectiveness is a hard constraint and, as a general rule, efficiency and other considerations cannot be allowed to compromise the mission. When they do, the compromise must be documented and mitigation strategies and time-lines must be defined and communicated.

Efficiency

Efficiency generally means doing more with less. Thus cost-reduction or avoidance is a significant component of efficiency. However, efficiency is also about wise allocation of resources to maintain and increase effectiveness. It is important to accept that, in the near term, efficiency efforts will compromise effectiveness. The opportunity is to make necessary and prudent investments to gain efficiency in the longer term.

Any discussion of Effectiveness and Efficiency in NMSU's academic programs must recognize the constraints of enrollment-based I&G funding. In order to improve effectiveness in instruction as well as the research and service areas we must find alternate revenue sources– research leading to IP, new services, revenue form assets, and revenue from advancement. Systemic improvements cannot be funded from enrolment-based state appropriations alone.

Scope, Approach and Process

The work group reviewed several E&E efforts at other universities, notably the University of Maryland System, the University of North Carolina System, and UC Santa Barbara, and

UT Knoxville. Each of these institutions has created an E&E committee in the last five years. It appears that the committees were created in response to significant financial exigency.

These committees have had very significant community involvement; the North Carolina committee comprises representatives from the business and government communities. The committees have concentrated on cost reduction or avoidance through program reduction, process realignment and the elimination of redundancies. Strategies for cost reductions and/or revenue enhancement that are cited most frequently include: competitive contracting, tuition (resulting additional state support excluded), workforce/overtime reduction and deferred maintenance and repair. It appears implied that effectiveness has not been compromised by these measures; however the following comment is telling: "The Effectiveness & Efficiency for the Future committee of the Board of Trustees was formed in September 2008 to establish an ongoing emphasis on practicing the most responsible stewardship of University resources. Initially, the committee worked to help determine, implement and monitor savings initiatives. As it goes forward, the committee will serve to facilitate a culture of careful and conservative use of operating resources." [UT Knoxville, 2008, http://bot.tennessee.edu/committees/eef/index.html]

NMSU appears to have already made considerable headway in effectiveness and efficiency. In 2010 the president appointed a standing committee, 'Efficiency and Effectiveness' (http://business.nmsu.edu/~eec/), under the leadership of Dr. Garrey Carruthers. This committee has operated as a 'think tank', generating a number of ideas to achieve efficiency in processes. These ideas are discussed and ranked- we suspect the impact on effectiveness is considered here - and the top five are recommended to the President for consideration. Implementation decisions are made by the President. The first report with a number of recommendations was submitted in December 2010. As an example, under utility bills, relamping recommendations have been implemented with savings of several tens of thousands of dollars. The work of this standing committee is expected to continue for the next many years.

Effectiveness and Efficiency Strategic Plan

As discussed above, specific efficiency improvements are often the first step towards effectiveness and efficiency. Further, these steps are already being developed by the E&E standing committee. In the context of BTV then, effectiveness and efficiency should be a 'meta-goal' that cuts across the mission and the other BTV Goals and Objectives. It should focus strategically on what it takes to successfully meet the mission: how successful are we in bringing value added to our constituents and are prepared to mitigate fiscal challenges that are sure to continue?

The BTV process started with the seven success goals stated by President Couture. Listed below are the seven goals as well as the goal dealing with Effectiveness and Efficiency.

BTV Goals   Goal 5 - Effectiveness and Efficiency

1.0 Strengthen our commitment to diversity of faculty, staff, and students, anchoring our path to excellence in an unwavering commitment to access and tolerance

2.0 Make graduation Goal #1 for our students and ensure demonstrable increases in student persistence in our degree and certificate programs

3.0 Focus our international reach to prepare students for a global society and expand our land-grant teaching and research missions.

4.0 Be the economic engine for New Mexico through linking and strengthening our research and economic development partnerships

5.0 Achieve maximum effectiveness and efficiency in serving our communities and constituencies across our university system

6.0 Substantially increase our university endowment

7.0 Build a culture of pride in partnership and achievement in our classrooms, studios, and laboratories and on our campuses, courts, and fields

5.0 Achieve maximum effectiveness and efficiency in serving our communities and constituencies across our university system [Discussion of President's Success Goals and Living the Vision (04/06/11)]

5.1 Provide faculty in adequate numbers to assure quality teaching and academic support
     5.1.1 Interdisciplinary Proposal Growth
5.2 Attract and tenure faculty with terminal degrees and provide competitive, comprehensive compensation package
     5.2.1 Average Faculty Salary
5.3 Provide faculty in adequate numbers to assure quality teaching and academic support
     5.3.1 Instructional Quality, % SCH Taught by Tenure/TT Faculty FTE
     5.3.2 Instructional Productivity, SCH per Faculty FTE
     5.3.3 Student/Faculty Ratio
5.4 Appropriately allocate resources for instruction, research, service and administration
     5.4.1 Instructional Expense per Student FTE
     5.4.2 Administrative Employee FTE per Total FTE
5.5 Obtain increasing levels of instructional funding
     5.5.1 Instructional SCH Growth
     5.5.2 Instructional Formula Dollar Growth

The E&E goals and objectives should emphasize a balance between effectiveness and efficiency. For this reason we suggest a restructuring of the objectives and the four goals listed below are offered for discussion as a first draft.

Objective 5.1: Effectively engage, educate and enrich students; provide quality teaching and research that allows the university to explore, investigate and innovate; and thereby serve the state and community at large.

Strategy 5.1.A: Provide curriculum which develops critical thinking skills, effectively utilizes technology, fosters independent seeking of knowledge, and supports diverse, competitive and evolving careers by establishing a University Teaching Council (UTC), with significant faculty involvement and reporting to the Provost, to be charged with:

   a. Reviewing the undergraduate curriculum and the appropriate distribution of tenure and non-tenure track faculty
   b. Developing appropriate measures for quality of teaching
   c. Developing, soliciting and fast-tracking curricular and classroom innovations
   d. Developing, collecting and reporting metrics and reporting annually on effectiveness and efficiency
   e. The UTC should be established by 2012 and develop appropriate KPI

The KPI's and targets will be developed by the UTC but might include:

KPI 5.1.1   Student performance on critical thinking assessments given in each year of their academic program
                Target: 90% success rate
KPI 5.1.2   Employer surveys of student capability
                Target: 90% acceptable or superior
KPI 5.1.3   Seat availability
                Target: 90% of students should be able to enroll classes they need

Strategy 5.1.B: Perform cutting-edge research and development as a critical part the education mission in both undergraduate and postgraduate programs by asking that the University Research Council (URC) to accept the additional charge of:

      a. Developing innovative programs to assist new faculty in establishing programs, and senior faculty as they change focus areas

      b. Developing , soliciting and fast-tracking research innovations in key cutting-edge areas

      c. Developing, collecting and reporting metrics and reporting annually on effectiveness and efficiency of the research process.

The KPI's and targets will be developed by the URC but might include:

KPI 5.1.4   Funding in identified key areas

           Target: 25% of institutions with significant research in subject area

KPI 5.1.5   Faculty publications in key areas

           Target: 25% of institutions with significant research in subject area

KPI 5.1.6   Overall competitive funding

           Target: 105% of peer institutions

KPI 5.1.7   Overall faculty publication rate

           Target: 125% of peer institutions

Objective 5.2: Efficiently utilize instructional, research, service and administrative resources to minimize cost to the student, the institution, and the public.

Strategy 5.2.A: Review course offerings and the semester structure, including the summer term, to address student preparation, advance student completion, utilize the faculty resource to realize a better return on instructional facilities and develop standards for utilization of instructional space.

KPI 5.2.1   Facilities I&G operating expense funds per SCH
              Target: 85%-115% of peer average

KPI 5.2.2   Instructional expense per SCH
              Target: 85%-115% of peer average

KPI 5.2.3   Administrative expense per SCH
              Target: 85%-115% of peer average

KPI 5.2.4   Efficiency of investments
              Target: Three year simple payback ROI

Strategy 5.2.B: Establish and utilize revolving funds to sponsor educational innovations, process improvements and cost reduction strategies

KPI 5.2.5   Size of revolving fund
              Target: $1.5M

KPI 5.2.6   Return on investment
              Target: 5:1

Strategy 5.2.C Establish and utilize revolving funds to substantially increase seed investments leading to NMSU hosting significant research programs

KPI 5.2.7   Size of revolving fund
              Target: $1.5M

KPI 5.2.8   Return on investment
              Target: 5:1

Objective 5.3: Seek and capitalize on alternative revenue streams.

Strategy 5.3.A: With coordination from the Senior VP of Administration and Finance, fully develop and maximize the return on university assets such as real estate, water rights, intellectual property, etc. to enhance revenue streams directed to scholarships and the teaching and research mission.

KPI 5.3.1   Non I&G and non-research revenues
                            Target: $5M recurring

Strategy 5.3.B: Expand continuing and professional education, extension services, and service activities.

KPI 5.3.2   Largely self-supporting
                            Target:
KPI 5.3.3   Students served
                            Target:
KPI 5.3.4   Service provided to community and government agencies
                            Target:

Objective 5.4: Provide a system of rewards and incentives to propel the University towards excellence and growth.

Strategy 5.4.A: Develop a system of rewards in the form of salary enhancements for faculty and staff, and budget enhancements for colleges and other units to recognize innovative or extraordinary contributions to the President's seven goals. The contributions should be sustained and sustainable. Examples might include online programs, certificate programs, research centers, research that produces direct economic development, procedural enhancements, sustainable development, etc.

KPI 5.4.1   Number of teaching contributions recognized annually

Target: 1

KPI 5.4.2   Number of research contributions recognized annually

Target: 1

KPI 5.4.3   Number of administrative contributions recognized annually

Target: 1

KPI 5.4.4   Number of faculty and staff recognized annually

Target: 3

Objective 5.5: Enhance university transparency and public accountability.

Strategy 5.5.A: Promote a shift in culture by widely engaging the extended university community in planning, and by sharing information through multiple communication channels and publically available accountability dashboards.

KPI 5.5.1	Transparency, accountability and inclusion survey
	Target: 90% Satisfaction
KPI 5.5.2	Accountability dashboard
	Target: September 2012 and annually thereafter

Strategy 5.5.B: Fully integrate university planning, prioritization, budgeting, assessment and review and publish report card on how effectively we execute our mission and how efficiently we execute our mission.

KPI 5.5.3	Publication of report card
	Target: September 2012 and annually thereafter

Appendix

The table below lists commonly used strategies and specific actions towards efficiency improvement. We do not imply that they always do or do not work.

Related to Physical Plant

Reduction of energy expenditures through technology and procedural means

Improved maintenance procedures

Deferred maintenance

Outsourcing

Elimination of positions

Related to Instruction

Increase productivity as in SCH/FTE. Although a euphemism for large classes, this does not necessarily imply lower effectiveness.

Reduction in faculty lines

Elimination of small classes

Related to Administration

Process improvement

Consolidation of functions

Outsourcing

Elimination of administrative positions