DATE: December 6, 2015

TO: Professor Bill Borrie, Chair, Faculty Senate

FROM: Royce C. Engstrom, President

RE: Follow-up to Special Faculty Senate Meeting

Thank you for the opportunity to meet with the Faculty Senate on November 24 to answer questions regarding my budget message of the week before. The conversation was candid and direct and I appreciate that. I am writing to provide more complete answers to some of the questions asked, as I want to provide the clearest message possible.

Before getting to specific questions, let me review our timeline. The comment period began after my address and nominally extended to November 25. I have now received a summary from you, ASUM, and the Staff Senate. We are scheduled for December 11 for you and the other shared governance leadership groups to discuss those summaries. In the meantime, the various Cabinet members are working on staffing adjustments within their respective areas. Conversations with Human Resource Services and appropriate union representatives will be ongoing during that period. Based on the feedback and those conversations, we will arrive at a set of final actions to be announced early January. Any individuals directly affected by those actions will be notified in accordance with applicable rules and guidelines.

The topics below are the chief questions I heard from Senators, paraphrased in my own words. I would appreciate you distributing this memorandum to your membership.

During our growth phase, we added 400 employee lines. Where did they go?

On the next page is a graph that shows the number of general fund employees at the University by category in the pre-recession time (taken from FY04, although not much changed until FY08), at our peak employee year (FY13) and the most recent completed year (FY15). During the “staffing up” period, we added significantly to the faculty area, the contract professional area, the graduate teaching assistants area, and the part-time/temporary area. For reference, the numbers I presented for FY17 are 606 faculty and a total of 849 in all other categories combined.
Further detail regarding the Contract Faculty category indicates that that the percentage of tenure/tenure-track faculty during those three years was 77%, 74%, and 75%, indicating no particular trend. Those percentages translate into 439, 506, and 494 T/TT faculty in the three years, respectively.

**Is this an attack on the humanities or the liberal arts?**

No. There appears to be a notion held by some that I am deliberately targeting the liberal arts or the humanities with my decisions. Nothing could be further from the truth. During the eight years that I have served as Provost or President at UM, we have, by point-of-fact, grown programmatically in those areas. Examples of new or expanded programs include the introduction of Arabic, the formation of the Central and Southwest Asia Institute and corresponding academic program, the recent addition of a major in Women, Gender, and Sexuality Studies, the pending development of the Humanities Institute, and the naming of Creative Writing as one of three Programs of National Distinction bringing additional resources along with the designation. Of course, these programmatic actions were the result of hard work by many faculty members, but they clearly required the support of the Provost and the President to go forward for Regental approval. I do not recall a single instance of turning down a humanities or liberal arts program proposal.

None of the undergraduate programs I suggested for elimination are humanities programs or
what could be considered to be liberal arts. I did recommend closure of the graduate programs in the languages, because the program has a current enrollment of 1-2 students. I did forward for downsizing a number of programs in liberal arts and other disciplines, stating clearly that they are essential to our identity at UM and that we are definitely keeping them, but also recognizing that enrollments have significantly decreased over recent years.

Let me go further. I firmly believe that the liberal arts and sciences are at the core of who we are, and that they form the basis for a complete and relevant education. Indeed, the foundations of a liberal arts education provide exactly the kind of education that develops leaders, engaged citizens, and a successful workforce. We will maintain great strength in the liberal arts and sciences, but that doesn’t mean that they are immune to the realities of adjustment as enrollment ebbs and flows. We are hardly the only institution observing challenging enrollments in those disciplines. I would recommend to you an excellent opinion piece in the *Chronicle of Higher Education* (November 20, 2015, page A56.)

**Is our budgetary situation the result of “administrative bloat?”**

The above chart shows that we have not changed significantly the number of administrators. When I began as President in 2010, we had five Vice Presidents; we have five today, some with different titles than before. We had 13 Deans; today we have 13 and we are eliminating the Graduate Dean position. We had three Associate Provosts, the same number as today. As I indicated at our meeting on the 24th, we did add the position of Assistant Vice President for Marketing, and even that was by combining two previous director-level positions.

The portion of our general fund that goes to administration has not changed significantly over the past years. The National Association of College and University Business Officers (NACUBO) tracks administrative expenditures at institutions nation-wide. The percentage spent on “institutional support,” which includes administration, IT, and miscellaneous other expenses, has remained at essentially 8% for the past five years and longer, and is right in line with public research institutions nationwide. We have actually increased the fraction of our budget going to instruction by a couple of percentage points in the past couple of years. I encourage those who are interested to visit the following website from the September Board of Regents meeting; it has all of the budget information of this type you might be interested in reviewing: [http://www.mus.edu/data/operating_budgets/FY16/FY%20Budget%20Overview%20Presentation.pdf](http://www.mus.edu/data/operating_budgets/FY16/FY%20Budget%20Overview%20Presentation.pdf).

To be sure, we have added non-faculty personnel in a number of areas related to student success, compliance, and non-instruction. These lines are primarily in the Contract Professional category in the graph. They are not administrators, and they are not faculty.

**What is the immediate plan?**

We do need a well-articulated and comprehensive Enrollment Management Plan. That is precisely why we have launched a search for a Vice President for Enrollment Management and Student Affairs. We must have Cabinet-level leadership in this area. As you know, that search is on the “fast-track.”
The absence of a comprehensive written plan does not mean we have been standing still. As I discussed in my message of a couple weeks ago, we have:

- Designed all new marketing/recruiting materials along with a revised schedule for distribution to prospective students. These materials are supplemented by extensive digital outreach and phone messaging. We needed to improve and amplify our contact with student prospects, and we have. If you are interested in seeing the new materials, please contact the Admissions Office.
- Engaged an enrollment management consulting firm to help us buy names of student prospects in a more strategic manner, focusing on markets that have demographic characteristic aligned with UM. We also sought and received outside professional advice on the distribution of financial aid, moving toward optimizing the use of our finite resources.
- Launched a new website design and approach that is dynamic on a daily basis and that is designed to communicate with prospective students.
- Conducted a targeted fundraising effort around Student Success, focusing primarily on scholarships, exceeding the three-year goal of $45 million. Much of that money is in the form of endowments and deferred gifts, but this year, the Foundation will transfer over $5 million in scholarship funds to the University.
- Launched an ambitious effort to get faculty and graduate students into high school classrooms. The Broader Impacts Group, supported through the Office of Research and Creative Scholarship, has arranged for some 50 actual faculty visits to K-12 classrooms and interactions with hundreds, if not thousands, of students through virtual classrooms. I thank the many faculty members who have stepped forward to participate in these activities and I encourage the involvement of the Faculty Senate and others in these and other strategies. Please contact the Broader Impacts Group through to become involved.

What is the longer term plan for enrollment?
As I discussed in my talk of November 17, we are in a strong position to capitalize on several areas of promising growth with respect to student enrollment. Informed by the Academic Alignment and Innovation Program, we will make a concerted effort to recruit and strengthen curriculum in five areas:

- Health Professions and Human Sciences
- Data Sciences and Applications
- Business and Entrepreneurship
- Ecology and the Environment
- Specific Workforce Needs

Our focus on these five areas will not be at the exclusion of growth in other areas, including our traditional areas of strength in the liberal arts and sciences. However, if we don’t capitalize on the high demand areas, we will struggle to support all of our programs. To me, that makes basic good sense.

Office of the President
Why aren’t we more transparent?
I do understand the frustration with understanding the complexity of these staffing and financial patterns, and I will work harder with my administrative team to be as clear as possible. As you identify additional questions, please let me know and we will work to provide answers. But to the general criticism concerning transparency, I am confident that I have been as transparent as any administration and then some. We hold monthly breakfasts with Faculty Senate leadership, ASUM leadership, and Staff Senate leadership, and those have been exceptional conversations in my mind. I meet monthly with Faculty and Student leadership teams in my office as does the Provost. One or both of us is with you for every Faculty Senate meeting, welcoming questions on any topic every time. We hold a University Council meeting nearly monthly, bringing together faculty, staff, students, administration, and community members regularly to discuss a topic of interest and to stand for questions. The Provost and I rotate so that one of us meets for an open meeting with each college or school every year. I have open offices hours every month, and they are packed with people. I hold a State of the University address every August and a mid-year update every February. I say this not to be defensive, but to encourage members of our campus to take advantage of the many opportunities for discussion. If you have additional suggestions as to how we can be more accessible, I welcome them.

Thank you for the chance to respond. I look forward to further discussion with you as we chart a course for our great university.

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Cc:  Jen Zellmer-Cuaresma, President, Staff Senate
     Cody Meixner, President, Associated Students of the University of Montana
     David Shively, President, University Faculty Association