

**FACULTY SENATE**  
**Oct 20, 2010**  
**LEO JOHNSON 346**  
**4:10 PM – 5:00 PM**  
**MONTANA STATE UNIVERSITY-BOZEMAN, MONTANA**  
**Minutes**

**Members Present:** Anderson (Film & Photo), Cherry (Math), Engel (LRES), Fisher (PSPP), Gee (Art & Architecture), Gerlach (Chemical & Bio Eng), Kaiser (EE), Lansverk (English), Lawrence (Biochem), Lockhart (Ed), Lynch (Psych), Martin (Modern Lang & Lit), Neumeier (Physics), Osborne (HHD), Reidy (History & Phil), Rossmann (Libraries), Schachman (Nursing), Sobek (MEIE), Rafal Angryk for Zhu (Computer Science)

**Others Present:** David Singel (Chemistry & Biochem), Joy Dale (ASMSU - Exponent), Joe Fedock (Interim Provost), Gail Schontzler (Bozeman Chronicle)

Chair Lansverk called the meeting to order at 4:12 PM. A quorum was present.

***Announcements – Chair Lansverk***

- The union has sent an official letter to our administration, allowing for the distribution outside of a CBA of last year's \$200,000, budgeted by UPBAC for merit raises. A task force is being formed by the Provost to discuss the details of distribution: Chair Lansverk and Vice-chair Neumeier will be members of the task force.
- Veterinary Molecular Biology has submitted a proposal to change their name to the Department of Immunology and Infectious Diseases pending approval by the BoR.
- Carl Fox has submitted a proposal to change the name of The Division of Graduate Education to The Graduate School. Vice Provost Carl Fox will attend the next FS meeting to discuss the change.
- The University Council had three policy changes on its agenda that were approved at their last meeting, and then sent out for comment. If FS members or anyone else has opinions about the policies, please read your emails which include them: 1. Alcohol, tobacco and other Drugs Policy; 2. Alcohol Facilities Use Policy; and, 3. Telecommunications Antennae Apparatus Citing Policy (ITC). Comment should be sent back directly to Leslie Taylor.
- New Online vs. Paper Course Evaluation Protocol: The Provost announced at a recent Deans' Council meeting that the decision as to how course evaluations are to be executed, paper or online, will be at the discretion of the deans. Individual deans may decide to bump this decision down to individual departments. Please talk to your faculty to make sure they are comfortable with this. Chair Lansverk also stated that improving the actual evaluation is a potential collaborative future project between the union and FS.

***Performance Based Funding (PBF) – What Next? – Chair Lansverk***

- History - Last year, Dennis Jones (NCHEMS) attended the September BoR meeting as a hired consultant to provide advice on using budgetary incentives to produce better outcomes for university systems. Discussions about PBF were then taken on by Regent Buchanan and the Reinvention and Reform Work Group. Chair Lansverk and Past Chair Lynch were participants in a subcommittee of the Work Group, attending all Work Group meetings. The final report from the Work Group, called the Success Agenda, contained one bullet adopting the general concept of PBF as MUS priority. The BoR voted and accepted adopted the Success Agenda at the September meeting, with little discussion. The result is that PBF has been adopted by the MUS in principal, but with very little open discussion at the full board level. After an appearance at last week's FS meeting by both Regent Buchanan and Regent Barrett, FS was invited to continue to discuss PBF, the evolving proposal, and to help them identify performance measures. It was noted that Last year, Chair Lynch wrote a letter to the Reinvention Task Force, enumerating concerns that had expressed up to that point.

- Chair Lansverk presented overviews of what other institutions, nationally and internationally, have been doing with performance based funding, with a powerpoint conference presentation “Performance-Based Funding in Higher Education (2005).” He also shared a powerpoint developed by AAUP in response to PBF and other similar measures, entitled: “A Faculty’s Perspective on Accountability.” He noted that the PBF debate centers around whether funding should continue to track SCH (Student Credit Hours) or whether funding should track “student success,” (degree attainment), trying to create additional incentives for institutions to successfully graduate students. Is the way we are doing it now best serving our students? Are there motivating factors that might better steer individual institutions into devoting more of their resources towards student success? The Performance Based Funding in Higher Ed (2005) stated that the characteristics of PBF mechanisms differ from other financing mechanisms by: 1.) Rewarding institutions for actual, not promised performance; 2.) Linking funding to the quantity of outputs or the quality of outcomes rather than inputs; 3.) Using performance indicators that reflect public policy objectives rather than institutional needs, and; 4.) Designing incentives for institutional improvements, not just maintaining status quo. It was noted that PBF trend nationwide do run parallel to trends in academic assessment and accreditation, which themselves have taken a turn towards outcomes based methods. As discussed at previous FS meetings, there are advantages and disadvantages to PBF in general, and to the three basic financing methodologies of PBF that have emerged worldwide. These include:
  - Performance set asides - a portion of public funding for higher education is set aside to pay on the basis of various performance measures;
  - Performance contracts - governments enter into regulatory agreements with institutions to set mutual performance-based objectives;
  - Payments for results - output or outcome measures are used to determine all or a portion of funding formula, or institutions are paid for the number of students they graduate in certain fields of study or with specific skills;

The pointpoint conclusion was that finding a good match between the type of PBF model and the individual institution and desired ends was of critical importance. This begs the question: Have the BoR done enough detailed analysis of these the costs/benefits of three types? Of the type they are thinking of currently, does it provide a good fit for the outcomes they would like? The AAUP presentation focused on the need for faculty to be involved in any PBF initiatives, especially where they begin to impact academic planning and decisions making.

- A FS member queried whether the BoR were looking at our recent accreditation report that acknowledged the many institutional performance measures and assessments already in place, and trying to dovetail their PBF mission with it. Specific suggestions from faculty on how to connect accreditation review processes and PBF metrics would be constructive.
- Chair Lansverk announced the formation of a FS PBF Task Force, whereby faculty volunteers would collect comments, proposals, and questions and present the data to the BoR for their consideration. Time is of the essence, as a November 12th meeting with OCHE and MUSFAR has been scheduled. Some of the suggested focal points for the BoR:
  - Encourage them to look at MSU in its entirety (not just the teaching side) and employ the improved six-year graduation rate metric (not the flawed version often in place. (74% across the MUS).
  - Return rate of freshmen (MSU 50%).
  - Do the BoR know which PBF model they are interested in pursuing?
  - Entertain other metrics based on the type of institution; calculate the idea or expected graduation rate for each institution and use this as the target.
  - Have the BoR review each institution’s mission statement and gauge how to reward each for graduation as related to that mission; don’t just reward based on a four-year degree graduation, alone.
  - FS would like to know the success rate of other institutions with PBF.
  - If major changes are being considered with broad impacts, then FS would like the BoR to slow down and take enough time to come up with a version well matched to Montana and our institutions, and to allow for rich feedback from all units and stakeholders.

- More in-depth explanation of the cost grid Mick Robinson has proposed is necessary.
- There should be a clear vision of what the BoR would like to accomplish; an assessment of the process, and a mechanism to withdraw should it be unsuccessful.
- Examine what might be unintended consequences.
- Higher selectivity for admissions; how does our land-grant mission factor into graduation rates?
- What does excellence (a top tier university) mean for our institution? We should be rewarded for that. There are clear metrics for that through the AAUP, and through our disciplinary organizations..
- Communicate to the BoR on how we measure quality; different departments have different ways.
- Programs, faculty and salaries re not the sole component of the budget; there are staff, administration, buildings, etc. Therefore, FS would like the BoR to not just focus on academic programs when budget cutting is discussed.
- Where does all the one-time money go each year?
- Building in incentives for staff, faculty, admin e.g., if faculty teaches a very large class, they would get rewarded.
- Continually increasing the number of students per class and not rewarding faculty and not raising tuition is counterproductive.
- The BoR are not familiar enough with how we assess our faculty. They should, however, be familiar with key performance indicators that are tracked in the system.
- Is PBF adequate when discussing shrinking budgets as opposed to where new money might be coming into a system, as it was in Ohio?
- Students only pay for 12 credits; beyond that they do not have to pay additional money. That process seems counter to saving money and perhaps that should be re-examined.
- Six-year graduation rate are affected by many things outside the control of the academic side of the university, or the university in general, including financial aid, the cost of education, the amount of hours students work a week, social cultural trends, individual needs/plans of students, ect..
- Chair Lansverk asked for volunteers for the PBF Task Force. In the meantime, Vice chair Neumeier will post comments, suggestions on the Faculty Senate Forum.

The Faculty Senate meeting ended at 5:12 PM, as there was no further business.

*Signature*

Marvin Lansverk, Chair

*Signature*

Gale R. Gough, Secretary