

UNIVERSITY OF MASSACHUSETTS AMHERST  
OFFICE OF THE FACULTY SENATE

From the 688<sup>th</sup> Regular Meeting of the Faculty Senate held on October 15, 2009

PRESENTATION BY JAMES V. STAROS  
PROVOST AND SENIOR VICE CHANCELLOR FOR ACADEMIC AFFAIRS

A PDF version of his PowerPoint presentation is available at:  
[www.umass.edu/senate/fs/minutes/2009-2010/Staros\\_PowerPoint\\_101509.pdf](http://www.umass.edu/senate/fs/minutes/2009-2010/Staros_PowerPoint_101509.pdf)

Presiding Officer Wilson

The first item of business today is an address by our Provost, Jim Staros. Jim has been working on campus since August first and, from what I can tell, he says it is a very easy job, there is not much to it and he is on top of things. Jim, welcome aboard and thank you for coming and talking to us.

Provost James Staros

In real life, I am a biochemist so I am going to do this, not from a written script but from PowerPoint, just as I would for any other kind of talk. I have picked out some topics that I thought would be of interest. I am going to try not to take up so much time with the actual talk that we can not have a good discussion afterwards. I want to review something I think has been pretty well put out there, the budget challenges we have, and talk about strategies for generating and sharing revenues that will help ameliorate those challenges -rethinking some past practices that reduce revenues in the current way in which we do things.

I would like to say a few things about the prospect of differential fees. I have had a number of people ask about Board of Trustees Chair Robert Manning's comments at the last Board of Trustees meeting. I would like to at least mention that, then touch on faculty hiring and end on my thoughts on long-term prospects.

The Chancellor has made it abundantly clear that we are under an unusual fiscal stress. The campus, as most of us have experienced (whatever campus we've been on) has seen lots of ups and downs. This is a dramatic one. These are the current budget numbers from the Budget Office. If we look at the current projection of revenues to the campus for FY '11 versus the current commitments, there is a \$38.2 million shortfall. That represents a 12.4% shortfall in resources versus commitments. If we translate that to academic affairs, the part of the campus that I'm responsible for, which includes all the colleges and schools, the libraries, admissions, financial aid, that 12.4% translates to \$25.6 million. That is just a stunning amount of money. That's out of a base budget of \$200 million.

Everybody who has been through this would realize instantly that a cut of that scale taken all at once, even with revenue generation, would be a devastating thing to take as a budget cut. All of this is before any additional rescissions, any 9C cuts that we're anticipating this fall. It is a pretty dramatic situation.

The Chancellor's budget group has been working on a proposal to spread the budget cut over two years, over FY '11 and FY '12, using one-time funds remaining from the ARRA funds that we received this year to bridge and allowing more time to ramp up revenue generation. I keep coming back to revenue generation because that, in my opinion, and I know the Chancellor and I are at one with this, is the potential salvation for this budget situation. What do I mean by revenue generation? We have all talked about increasing out-of-state enrollments. A full-paying, out-of-state student's tuition plus curriculum fee (remember the tuition from an out-of-state student stays on campus, unlike an in-state student) brings in \$21,000 more to campus than the curriculum fee for an in-state student. Even after putting a portion of that aside for financial aid the difference is substantial. If you put \$6,000 of that \$21,000 aside for a financial aid pool, for that group, that would still be a \$15,000 difference.

Vice Chancellor Hatch and I have been working on plans that would allow individual colleges and schools who participate in this, for example, who go out and help us recruit well-qualified out-of-state students, to retain roughly half of the net revenues. What do I mean by net revenues? Let's assume that the \$6,000 number were real, it is just something I made up, and our \$15,000 was the net difference. It would be that \$15,000 for each student recruited above the current baseline. After all, we are already using the out-of-state money from the current students to fund the campus generally. Those funds are already dispersed but they are not targeted in this specific way. We do not look to see where those students are sitting. They are just spread out across the campus. The Chancellor has made it very clear that this is not at the cost of in-state students. We are going to have a modest growth in out-of-state students and we are going to share the revenue with the units that help us develop this.

If you do the calculations on 40-50% of the revenue and you calculate what the additional teaching needs are for teaching these new students the additional teaching costs, if you assume things like tenure-track faculty to student ratios of 22:1 (you need one more tenure-track faculty member for every twenty-two students you bring in and in addition one new lecturer for every fifty or sixty new students you bring in), then you end up with enough money with this to pay that cost at the college level, plus you get to replace faculty that we are not going to be able to replace because of the budget cuts. It is not quite twice as much as you need but certainly one and one half times what you need to cover the additional teaching responsibilities.

We have been working on developing the fee structure for courses that are delivered through the C&PE Office thanks to two Task Forces, C&PE and a Summer Task Force. Currently, the base C&PE fee is \$290 per credit. It can go up from there for certain courses, but that is the base and it is without respect for in-state or out-of-state students. I haven't done the whole spreadsheet here because that would get everybody's eyes crossed, but the bottom line is that, after all costs have been recovered, the department that puts on the course can recover \$180 per credit out of which they have to pay the instructor. There is a significant investment cost. What we are proposing is that we bring the base C&PE fees in line with academic year fees so the base in-state fees for the upcoming summer (it wouldn't be for C&PE courses during the academic year) would go up to \$353 per credit for in-state and \$627 for out-of-state students. We are a little softer on that second number because we still have to do a study of how that would impact some of the programs that do bring in a lot of out-of-state students. If we just concentrate on the in-state number that would raise the return, after all of the costs, to \$209 per credit, presumably with no increase in the cost up front. For a reasonably sized course, this would be a considerable increase in income for the department involved.

Further, the Task Force on C&PE recommended, and we have accepted the recommendation, that we tier the cost structure so that the basic fee, as most of you know that have been involved in C&PE, for delivering a course through C&PE was reduced last summer from \$113 to \$85. We are going to use that as the top fee and then, after 10,000 credits delivered that fee, it would be reduced to \$64 per credit and it would be further reduced after 15,000 credits to \$42, so high-volume work would get much bigger shares going back to the departments. The 10,000 credit limit would not be by department but would be by school or college, so this would be cumulative for all departments offering courses through C&PE in the same college.

A way for departments to substantially increase their offerings would be to incorporate summers into new programs. We've had considerable discussion on campus about five-year B.A.-M.A. or B.S.-M.S. programs that would incorporate a summer to allow for the time compression from four plus two academic years to four academic years plus one calendar year. There is also the possibility of certificate programs that would be offered into the summer that could add on to majors. There might be, for example, a management certificate that majors in humanities and social sciences and science disciplines could take to add an additional credential. Since it would be above the 120-hour limit, they would need additional time and we could put at least the core of that in summers.

John Mullin is leading the charge on professional masters programs that could also compress the time for degree completion into the summers. We do not have to be limited in the offerings that are through C&PE to the types of courses that have been offered in the past. We can do this in some brand new ways that better utilize the campus facilities all year round.

I think the Faculty Senate can help in the same way that the Senate was extremely helpful in fast-tracking the General Education changes so that, in effect, the actions of the Senate allowed us to move forward in Gen. Ed. a year earlier than if it had gone through an ordinary process. If the Senate can look at proposals that come through and take the straight-forward ones, the ones that do not involve complex issues, and give them the same sort of fast track treatment, then we could put some of these on even next summer and move those forward.

We need to increase external funding. This is where my area and Vice Chancellor Malone's area overlap - increased, indirect cost funding benefits the campus. 70% of the indirect costs go to the general funds of the campus. They give more discretionary funds to the colleges and schools and to the departments and investigators. They have the added academic benefit of increasing the research profile of the campus. This is a number hot of the press, but the Vice Chancellor reports that thus far the faculty have garnered \$36 million in funding for ARRA grants for new proposals that have been submitted in those special competitions. We are up 87% in the first quarter of this fiscal year relative to the first quarter of last fiscal year. That's wonderful. That's moving.

The first word on this slide [Change] is, I am told, one of the scariest words in academia. Maybe it should be written this way [font change]. It is almost Halloween. We need to think about some of the ancillary issues about getting grants which are partly motivated by fiscal matters but also partly motivated by something that is Mike Malone's territory: a new focus by the federal government on effort reporting on grants. Some campuses have been fined millions of dollars. That is not something we need right now. That would not help. We have had a fine, but not at that scale. They have not hit us with one of the really big ones, but they have told us 'be on alert.' After I signed on, I got a 2"-3" binder full of policies of the University. I found this one which is interesting. It was promulgated before any of the current executive team was in place. Those of you who are principal investigators on research grants may be interested that this policy has been around for eleven years. "It is the policy of the Amherst Campus to assume a cost-sharing commitment only when required by the sponsor or by the competitive nature of the award, and then to cost share only to the extent necessary to meet specific requirements." Cost sharing includes faculty effort. For example, most of my funding was from NIH so, if I put down that 20% of my effort was on the academic project, then this would imply that 20% of my salary and fringe benefits should be charged to the grant during that academic year, whereas NSF does not allow academic year efforts so that would be forced cost sharing. In order to meet these effort reporting requirements, academic year faculty effort on proposals will have to be budgeted in the proposal in the way I first gave (the NIH way) or approved as cost sharing at time of submission. Those are the only two alternatives we have because we have to track from the moment the proposal is out the door, signed off by the administration and submitted until the money is expended. We have to track that effort as is listed in the grant with the way we have funded on campus. It has either got to be cost sharing or funding from the grant.

If we follow the campus policy, if we don't cost share just everything, then this should result in more reimbursed faculty effort. Grants that go out that have academic year effort from agencies that allow academic year reimbursement, that money should accrue. I want to point out that this money accrues to the college or school of the faculty member. It does not get centrally pulled in. It allows the college to use that money to buffer some of these cuts that we have; to, in effect, fund more faculty positions than it has in its base budget.

I mentioned at the beginning that there had been questions about Board of Trustee Chair Rob Manning's statement that he is willing to consider, or the Board is willing to consider, differential fees. Two specific fees that have been mentioned were a campus-specific differential, which I like to think of as the Flagship differential, for Amherst, and a Commonwealth College fee because Commonwealth College, as you all know, was a line item which was simply cut out of the State

budget. The funds from new fees would allow us to focus on the undergraduate experience, making some of the new faculty hires possible that we have had to put on hold and building on other successes like the first-year seminars. We can put programs into place that we simply cannot afford to do right now.

One important aspect, whenever we talk about fee increases, is access. I thought I would share with you a few tidbits. For fiscal year 2009, the campus added \$3.9 million to institutional financial aid. In all of the internal discussions in which I have participated about fee increases, every model includes a generous portion held back for financial aid. We are committed to maintaining access. The problem is the old way of doing it, with the state picking up most of the tab and keeping the fees low. This is not working. The state is not picking up the tab so we are going to have to develop models where we collect more reasonable fees for the services rendered, but reserve a good portion of those fees to make sure that access is preserved for students from low-income families.

Having hit some of the low points, I would like to hit some of the high points - the RFP process. Despite the current fiscal pressures, we have decided to move forward with the RFP process. However, what we have decided to do is commit \$1.5 million of the original \$3.2 million to the hiring of new faculty so we can put the rest to help buffer this deficit. We've appointed a RFP Review Committee, I have not sent a memo to the campus, so I would like to record this and to thank any of you who are here. Mike Malone is chairing this Committee. These are all very busy people who have given a big chunk of time to help review the proposals that were generated in the RFP process last year. On the other side, we're not going to have many replacement hires. Looking at a funding cliff like we are looking at, it is very difficult to see how we can support any significant number of hires. We have a few out there, based on significant financial plans, in a couple of dowry positions from new deans that were recruited from the outside. We are not doing anything like a full replacement in hiring this year. It is very, very thin. If we look back at the RFP process at \$75,000 apiece, \$1.5 million would hire 20 faculty. At \$65,000, we could hire 23. We are going to get something in the low 20's with the RFP process assuming that virtually all the hires are junior. We will have a handful of replacement hires. An optimistic way of looking at this is, in a really terrible year, we are going to bring in a couple dozen new faculty, maybe somewhere in the middle to high twenties in a year that otherwise looks pretty dismal.

I would just like to end on one thought. I came to UMass with eyes open. The fiscal problems that we faced were not hidden during the recruitment process. I came because I knew that UMass is a fine institution with first-class faculty and I have every confidence, that by making the right moves in response to the current fiscal pressures, we can position this campus to come out even stronger than it's been and there is nothing that I would like better, as part of my job, and I know nothing that the Chancellor would like better, than to lead this campus into the AAU. We should be recognized among the very top-tier of research universities in the United States and you can be assured that we are going to do everything in our power to make sure that we are.

*Senator John McCarthy* asked why we are continuing with the RFP process? When it was first conceived, it made more sense than it does now. As the financial situation has gotten worse and worse and worse, it seems that what we should be doing is hiring people, but we should be looking at it, not in terms of this extraordinary process, but in terms of the regular mechanisms by which decisions are made about allocating positions.

*Provost Staros* stated that that was a good point. One thing that I should have said about the RFP process is that in charging the Committee, we have changed the process slightly. That is, when the RFP process was first announced, times were better. It was viewed as purely a new research initiative. The proposals that came in focused on research clusters and what they could do to the University's profile and pretty much ignored (because nothing was asked for) how they would impact the educational programs on campus. I have asked the Committee to take at least the top group, whether it is a half or one-third, whatever their judgment is, and to go back to those units that are associated with them and ask for that information and use that in the final rankings. Your point is

absolutely right on. We cannot ignore the educational mission under conditions where we can't do regular replacement hiring.

Senator McCarthy stated that if we had not had this process and if we were not in October asking, "alright, we have a very small number of positions that we can hire," would we, at this point, ever conceive of a process like this as the right way to go? It seems to me that we probably would not. What we would do is we would certainly look at research needs, but we would also look much more significantly at teaching needs. What you've done in the RFP process is elicited proposals that were cast in research terms. One can then go back and ask what the teaching impact of those proposals would be, but, of course, there's no way to go back and ask what is the impact of proposals that are primarily motivated by teaching but would make a contribution to research. Those are just not in the pool.

Provost Staros stated that is absolutely right, but we are not starting the process now. We started the process a year ago, essentially, and enormous amounts of faculty time and effort were put into that process. Going about it the way we are honors that effort. It is absolutely true that if we were starting from scratch today we would go probably in a somewhat different direction, but I think we have to be cognizant of the history of how we got here and to recognize and value the faculty effort that was put in those proposals. Looking through the proposals, there are so many, I have not read them all in depth but I've scanned through them. They really represent a wonderful grassroots strategic plan for the University. It is a faculty vision of where we can go and I want everybody at the end of this process to understand that their effort in this RFP process, even if their proposal is not selected for final consideration, was valuable to the University processes.

Senator Marta Calas stated that she thought we are scared by certain types of change. On the contrary, we probably are innovative people who would like change. So I am making that first disclaimer that this is not in opposition to the idea of change. The idea of bringing in more out-of-state students may seem very reasonable from the perspective of one state. If we think in terms that almost all state universities in the United States right now are trying to follow exactly that same policy, then we are in competition with the rest of the United States. The idea of what makes us competitive in such a particular way is that people who would otherwise go as out-of-state students to another state would instead come to this one. It seems as though a lot of effort has been put into these alternative measures including bringing in out-of-state students, but I wonder up to what point in making a case for the state to continue funding the University has been examined? It is not just looking to these privatizing activities, forgetting that we are a state University. We should put some continuous effort in trying to maintain at least the level of funding that we are attaining at this point and, if not, to increase it over time as things improve.

Provost Staros stated that Senator Calas can be assured that every effort is put into trying to lobby for sustained funding -maybe lobby is not the right word. I think we have to look at reality. We have to look at what the states revenues are. We are one of the competing voices among the many competing voices of reduced revenues. If we look across the entire country, the proportion of state support for the flagship universities has been monotonically decreasing over time, through good times and bad. In good times, it goes down more slowly; in bad times it drops. It never gets back to the proportion that it was before the drop. We have to be realistic about that. I applaud any efforts to use political channels and others to support the state university. That would be the best way to do it. I think we have to be realistic that the state is not doing it and, if we sit here and wait for them to do it, I see this vast circling of a drain and going down the tube. I think it is rational to try to put into place programs and initiatives that give us more control.

Let me address in particular the out-of-state recruitment. One of the things we have is a rather large applicant pool. This is one of the things about coming from the outside. You view things freshly. Stony Brook, where I was before I came here in August, is about the same size as this University, the student body is the same within a thousand students and the applicant pool is at best 20% smaller. And yet Stony Brook was able, in my years there, to go from accepting 62-63% percent of the pool (which is what we do with the undergraduate pool) to 45% of the pool for the class that entered this

year - raising the standards and quadrupling the out-of-state enrollment. We now have a sufficient applicant pool. If we can simply get the yield numbers up from 11% as it was for this fall to 15%, within the group of people that are already interested enough to apply to UMass without even getting more applications, we will have met the goal for next year without adding a single applicant. It is not that we have to go out there and find new applicants. We will eventually, but, in the first run, we already have a very substantial applicant pool. We are just not doing a very good job of yielding matriculates from that pool and so we have put in place some changes. Before I got here, the Chancellor moved Admissions and Financial Aid back into Academic Affairs, so they are my responsibility. I have taken some reductions in staffing in some areas so that I could hire a new Assistant or Associate Provost in Enrollment Management. Enrollment Management is the strategic step above what you do for Admissions and Financial Aid. It is how you position yourself. That position is one of the few positions we have got out there that's currently advertised and it is designed specifically to address problems like this. To summarize, I would applaud any efforts at all to go to the state and I would join in any efforts that I legally can. As an administrator of a state University, there are certain limitations to what I can do. I also think we need to stand on our own feet and do the things we can to position ourselves to come out of this as a very strong, top-tier research University.

Senator Andrew Donson stated he thought it was terrific that Provost Staros is trying to expand the summer programs at the University, but he was concerned about two things; one is that students do not take courses here in the summer because they usually need summer jobs and there are few summer jobs in this area and two, it is much cheaper for them to take courses at their local community colleges and then transfer the credits than to take them here. He was a little concerned now by raising the fees that you're giving further disincentives for students to study in the summer.

Provost Staros stated those are good points. One of the things that I did not point out in the fee structure is that in the new fee that there is enough of a differential – there is a little 6.5% financial aid tax. For the first time, we are going to put aside a pool of financial aid so students who are on need-based financial aid can apply for summer financial aid. This follows a change in federal regulations which allows students who are qualified for Pell Grants to apply for summer financial aid. We cannot solve the jobs problem, but for students who can do that, we have taken the steps to begin to develop a financial aid pool in the summer so that that very important group of students is not disadvantaged in these expanded summer programs. It is critical, of course, if we develop programs where there is a mandatory piece in the summer, that you don't want to have programs for the haves and not for the have nots.

Senator Steven Brewer asked Provost Staros that since the out-of-state enrollment increases are not going to come at the expense of in-state enrollment, then that sounds like enrollments are going to increase. Do you have any targets for what you are hoping as enrollment increases for the University as a whole?

Provost Staros answered that in the short term, it is quite modest. We are looking to raise the out-of-state number by about 300 by next year. I should make clear that we have recently seen an increase in retention so keeping the out-of-state number does not mean bringing the same number of out-of-state freshmen in. This fall, for example, we ended up with more upper-division students than we had anticipated because retention was better. If we keep focusing on retention then A) that is good; we get a higher graduation rate; we get students out of here with degrees, and B) more of those seats move to upper divisions, where if there is any capacity, it's in the upper division; it's not in the critical threshold courses at the base. We think we can manage this and, of course, with some of the revenue-sharing schemes, we're hoping to deliver back to the units that are impacted by the new student resources to rebuild faculty.

Senator Brewer stated he believed Provost Staros mentioned a 1:22 tenure-system faculty to student ratio. Is that the number you mentioned?

Provost Staros replied yes, that is the number we used in the model. That is not an ideal number, but that is a number we thought was reachable.

Senator Brewer stated that the Biology department has about 28 tenure-system faculty and about 1,000 majors. Can we then count on hires to bring us up to that ratio?

Provost Staros answered, I wish. The thing is that majors do not equate to FTE's. As you know, majors only take about half of your courses, but that is still about 500. If it is 28 and 500 and you were not teaching anybody else, then that number would be pretty good. It would be a little under, but as I well know, having led a broad-based biological sciences department in my past, there is an enormous amount of service teaching so there are many more FTE students credited to the department than just your majors. What we are doing is developing tools in OIR and the Budget Office to look more closely at where those seats are and what revenues we can attribute to those in a broad sense and analyze whether we are dispersing the revenues in a broad way. It is not a short-term project; it is a longer-term project, but it is certainly something we are looking at.

Senator W. Brian O'Connor stated that the RFP strategy that John McCarthy mentioned, was a good idea, but he worried that in his department it was someone else's responsibility. The reason I like the RFP is that it is breaking down the silos and letting all the people in the life sciences get together and see who is needed and what is needed, but he worried also about the areas of biology that don't have the ability to bring in money. I hope that this blue chip Committee that is going to look at this is going to realize that there are certain areas like there are certain areas, in all disciplines, that have the ability to bring in less money. They just can not bring in the money that other hot areas can bring in and he worried about the livelihood of those disciplines within the biological sciences.

Provost Staros stated that looking at it much more broadly as I have to, there are certainly disciplines well outside the natural sciences that fit that description as well. If we are going to be the type of top-tier research university that I want us to be, we obviously have to have that perspective. We can not ignore, for example, where students are registering. We can not have a faculty, a very fine faculty in the department of psycho-ceramics with no psycho-ceramicists, so we have to balance things. I think this analysis that I mentioned in response to the last question may help us get to that.

Senator Susan Sturgeon stated that as an epidemiologist she is interested in numbers. Can you give me a sense of how much of the deficits you are expecting will be covered by the proposals you are coming up with?

Provost Staros answered that, if we build over several years we could, in the third or fourth year of the out-of-state enrollment growth at 300 students per year, get into the double-digit millions - cross the \$10 million threshold. That's including the money that is going back; that is all the money, but it is money that is spent in the University. Some of the other efforts depend on just effort, if you look at just departments. You're in an NIH supported area. If you look at the research grant business that I talked about at the end, if all of the faculty effort that is currently on research grants were covered by the University, that would be in the tens of millions of dollars if you did that across campus, or ten million. It would reach the upper single digits or ten million dollars, faculty salary and fringe. We are not expecting any one of these to score the whole thing, but we think that by building each one of them, by bringing in a little bit here and a little bit there from multiple efforts, this isn't the limit. We are looking at other ways of doing business, too. To paraphrase the late Senator Dirksen, 'a million here, two million there and, sooner or later, you're talking about real money.'

Senator Sturgeon asked if Provost Staros had a percentage?

Provost Staros stated he has not done that analysis so he did not give a percentage.

Senator Marios Philippides stated that this state is very political. He worried that if all these initiatives, summer school, etc. made a lot of money, would the legislators then turn around and cut the budget even further? It is a little bit of a double-edged sword.

**Provost Staros answered there is always a risk in anything you do, but I think the greater risk is doing nothing. I think that doing nothing leaves us with a virtual certainty that we will not come out of this as a strong research institution. So you take some risks.**