

Date: April 27, 2017

To: Barbara Brittingham

From: Aims McGuinness

Re: Issues and questions with respect to the University of Maine System and its Universities

In your email of April 13, you requested that I respond to two questions:

1. Based on your experience, what observations do you have about the Commission's two concerns (the financial and academic questions)?
2. What do you see in the 'governance law and policy' documents for the University of Maine System as it relates to these two issues? And, in general, are there aspects of the documents that are unusual or problematic in ways that relate to our Commission's concerns.

In responding to your request, I relied primarily on materials available online and therefore I could well have missed nuances that would have emerged from a more in-depth review. With this qualification in mind, I reviewed the following:

- The relevant sections of the NEASC Standards
- Excerpts from The University of Maine System Charter and policies
- The Chancellor's responses to the Commission's questions, September 7, 2016
- The letter from NEASC to Chancellor Page, October 4, 2016
- The minutes and background materials for recent UMS Board of Trustees meetings
- Unified Online Report, Board of Trustees Full Meeting Materials, November 2015, pp. 104-106. <http://staticweb.maine.edu/wp-content/uploads/2014/02/Full-Meeting-Materials-no-conf.5.pdf?565a1d>
- Recommendations for the Implementation of Academic Oversight related to the Unified Online Implementation Plan, Board of Trustees meeting, July 7, 2016
<http://staticweb.maine.edu/wp-content/uploads/2014/02/Full-Meeting-Materials79.pdf?565a1d>
- Video presentations to the Board of Trustees:
 - Presentation on the status of Academic transformation, Vice Chancellor for Academic Affairs, January 30, 2017
<https://www.youtube.com/watch?v=cQvtwdnIVt8>
 - Ryan Law, Associate Vice Chancellor and CFO, and Treasurer June 2016 Unified Budget presentation, https://www.youtube.com/watch?v=MIue1Oe2n_g&t=38s
 - Rebecca Wyke, Vice Chancellor for Finance and Administration, Draft Strategic Resource Allocation Plan Presentation Fall 2016
<https://www.youtube.com/watch?v=mbmtmaXXRBY>



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- The practices of other systems and multi-campus universities related to the role of the system in finance and academic affairs.¹

Observations

One University initiative and the legal and policy structure of the University of Maine system

The Board of Trustees and Chancellor are leading a complex “One University” initiative with many moving parts. In the current demographic and economic context, the University of Maine System must move from a loosely coordinated network of independent institutions to a more unified system. In many respects, the system is moving into uncharted territory in which policies and structures to ensure quality and accountability in the past may not be effective for the future. In this respect, it will be important for NEASC to continue to work collaboratively with the UMS to ensure that the proposed changes conform to the basic principles of the NEASC Standards. At the same time, this process may provide an opportunity for new thinking about institutional accreditation in a dramatically changing environment.

While recognizing the intent to move toward “one University,” UMS remains a system of separate institutions each named in law and each separately accredited. The president of each university is the chief administrative and academic officer with responsibilities defined in the university’s charter and policies.² Therefore, the individual university, not the system, is the unit that NEASC currently accredits. The following comments address the question of whether the ongoing One University initiatives affect the status of NEASC accreditation within the UMS.

Reporting relationships for chief budget officers

The Charter and Board of Trustees policy are explicit that the president is the chief academic and administrative officer and, as such, is the one who is accountable to the Board for carrying out the approved campus budget.

Under the language of current policy, the Board of Trustees holds the president accountable for the institution’s budget and financial operations. The campus Chief Budget Officer (CBO) carries out his or her responsibilities as delegated by and under the supervision of president. The campus CBO should have a direct reporting relationship to the campus president with respect to campus-level budget and administration.

At the same time, it is essential for the system, especially as the UMS implements the One University initiative, to have campus CBOs who are also accountable to the system CFO for participation in the development and implementation of system-wide policies. The campus CBOs are also accountable for following system-wide budget and financial management policies and procedures.

¹ Purdue University which has a tradition of centralized finance control through the Treasurer and Chief Finance Officer of the University, but has campuses that are independently accredited.
<http://www.ipfw.edu/offices/ir/docs/University-Org-Chart-05-2016-COMPv2.pdf>

² The Board of Trustees has changed the status of the University of Maine at Machias from an independent institution to a campus linked to the University of Maine. The future accreditation status of UMM is beyond what I was asked to address

The campus CBOs therefore have dual direct reporting relationships:

- To be the campus CBO reporting and accountable to the campus president, and
- To be part of the system budget staff accountable to the Associate Vice Chancellor for Business and Finance and Chief Finance Officer

These dual responsibilities are generally analogous to that of the presidents: the presidents are accountable for their campuses but are also accountable for contributing to the leadership of the system through their membership in the presidents’ council and their commitment to work collaboratively with the Chancellor, their colleagues, and the system staff in the implementation of the One University concept.

The current language of the campus CBO position description is inconsistent with the dual reporting requirements of the position (attachment to Chancellor Page’s letter of September 7, 2016). In this respect, the language does not conform to the NEASC Standards (e.g., Standards 3). The language establishes a direct reporting relationship of the CBO to the system CFO and a dotted-line relationship to the campus president. The position description for the CBO comingles campus responsibilities with system responsibilities. The description would be clearer if it included two separate sections: (1) responsibility and accountability of the CBO to the campus president for campus-level functions, and (2) responsibility and accountability of the CBO to system CFO for system responsibilities.

It should be clear that the system CFO does not have authority to direct the CBO to take actions that are within the responsibility of the campus president. The practical effect of having a dotted line relationship of the CBO to the campus president is that the Board of Trustees and Chancellor will have difficulty holding the president accountable for failing to manage his or her campus in a financially responsible manner.

The following table highlights the points where there could be a clearer delineation of campus-level and system reporting relationships. See language highlighted below and the comments:

Position description	Comments
<i>Chief Business Officer</i>	
I. Primary Purpose of the Position The Chief Business Officer (CBO) of a campus serves on the president’s cabinet as the chief financial and business advisor to the president and the campus leadership team and is the campus’ primary liaison to the functionally aligned services	The CBO should be accountable to the president; not simply an advisor.
II. Essential Duties 1. Serves as the chief fiscal and business officer of the campus including development of the annual campus budget request with the president and	The president is responsible for development of the annual campus budget and delegates responsibility for this function to the CBO.

<p>the leadership team in support of the campus mission and strategic priorities;</p>	
<p>2. Oversees the management of the annual campus budget as approved by the Board of Trustees (as well as other all other campus funds) and advises the president and the leadership team on innovative and practical approaches to meeting the campus' fiscal needs;</p>	<p>The president is responsible for managing the budget approved by the Board of Trustees and the president may delegate responsibility to the CBO for carrying out this function.</p>
<p>3. Responsible for the overall financial management of the campus including the commitment of campus resources for grants and contracts;</p>	<p>This function would more appropriately worded if it said, "Under the supervision of the president, the CBO is responsible for the...." The president has the overall responsibility and delegates to the CBO the campus budget and financial management responsibilities.</p>
<p>4. Serves as a liaison to functionally aligned services managed at the system level to ensure campus' needs are met and to support the campus mission and strategic priorities;</p>	<p>This is a system function. Actually, the campus president is also accountable for implementing functionally aligned services. For example, a president should not be able to decide that a given campus will not use system HR, IT or procurement systems/services.</p>
<p>5. Participates in long-range planning and goal setting for the campus and provides analytical support and reports for routine and complex projects;</p>	<p>It should be clear that the CBO carries out this function as delegated by the president and has a central role in the institution's planning and support functions. "Participation" seems to be a weak word for this critical role.</p>
<p>6. Actively participates in the development of policies and procedures at the system and campus level; and</p>	<p>This duty should be divided between system and campus levels. The CBO should be accountable to the president for participation in the development of campus policies and procedures and accountable to the system CFO for participation in system policies.</p>
<p>7. Oversees the administrative functional units managed at the campus level, including responsibility for financial reporting, cashier functions and student customer service, day-to-day (hands on) functions for maintenance and operation of plant, campus-managed auxiliary services, and other duties as assigned by the president and the CFO.</p>	<p>The CBO carries out this function as delegated by and under the supervision of the campus president, not the system CFO.</p>

<p>IV. Budget Responsibility</p> <p>Responsible for the respective campus budget with responsibility for the fiscal and administrative functioning of the campus</p>	<p>As for III 7, the CBO’s budget responsibility is carried out as delegated by and under the supervision of the campus president,</p>
<p>V. Reporting Relationship</p> <p>The CBO has a direct reporting relationship (solid line) to the Associate Vice Chancellor (CFO) and a service reporting relationship (dotted line) to their respective campus president.</p> <p>Campus CBOs are jointly selected and evaluated by the CFO and the respective campus</p>	<p>The position description should make clear that the CBO has a direct line reporting relationship to the campus president for campus-level budget and financial management, as well as a direct line reporting relationship to the CFO for system-wide responsibilities.</p>
<p>VI. Coordinating Relationships</p> <p>Coordinates with members of the president’s leadership team, functional leaders of finance and administration matrix services, other campus CBOs and University Services leadership and staff, and campus-based constituencies.</p>	
<p>VII. Supervisory Responsibilities</p> <p>Oversees directors/managers/supervisors of administrative functional units managed at the campus level and assigned to the CBO</p>	

Multi-campus programs

In your email, you mention that the Commission has concerns about UMS multi-campus programs, of which the System now has three and has announced its intention to have more. To quote from your note: “The three seem to be operating OK now – two with external review, in nursing and cyber security, respectively. The Commission’s concern here is that if there are more such programs, a situation could arise in which the System Chief Academic Officer effectively becomes the University Chief Academic Officer, at least for these multi-campus programs.”

The UMS is pursuing a complex process to develop multi-campus programs. The following introduction to the Online Report policy sets forth the framework for this process:

The Chancellor and the Board of Trustees have identified the need for a strategic approach for online, distance, hybrid and other digitally enhanced teaching and learning modalities (hereafter “online”) as a critical priority of the University of Maine System in order to meet learner and state needs, enhance student success, support faculty teaching in distance modalities, and increase enrollment. In recognition of this, the Presidents

Council provisionally recommended an institutional collaboration model for system and campus online resources across the enterprise. An institutional collaboration model recognizes our online resources as a unified system asset supporting faculty and students across the system and serving the priorities of the academic enterprise, that will be managed to ensure: resources are effectively leveraged to benefit the entire enterprise; a prioritization process occurs to address the most urgent learner and state needs; and a fair process is put in place to develop a portfolio of quality online academic courses and programs. Unified Online Report, November 2015, p. 3.

<http://staticweb.maine.edu/wp-content/uploads/2014/02/Full-Meeting-Materials-no-conf.5.pdf?565a1d>

The Online Report includes this statement:

Nothing in the recommendations contained herein would alter faculty ownership of the curriculum or the campus--based academic governance of programs. Nor is a new entity being created, rather it is a model of collaboration between and among the seven campuses to support faculty and students engaged in distance education and to provide strategic planning for online programs (academic programs where substantially all of required courses are offered through a Distance modality). Unified Online Report, November 2015, p. 4. <http://staticweb.maine.edu/wp-content/uploads/2014/02/Full-Meeting-Materials-no-conf.5.pdf?565a1d>

At the July 7, 2016 Board of Trustees meeting, the Board adopted the following recommendations regarding the organization for program integration and unified online initiatives:

- a. That the Vice Chancellor for Academic Affairs will play a central role and have the authority to shape the collaborative approach outlined within the broad parameters outlined in the Unified Online Report;
- b. That the Vice Chancellor for Academic Affairs will assure that the Portfolio Review, Program Integration, and Unified Online initiatives are integrated and that resources allocated to one initiative serve the others to the extent possible;
- c. That the Vice Chancellor for Academic Affairs will work closely with the Chief Academic Officers, and pursuant to guidance from the Presidents Council, to coordinate the Portfolio Review, Program Integration, and Unified Online initiatives with the goal of filling key positions and launching specific initiatives by January 2017;
- d. That the initial investment for FY2017 be reduced to \$550,000 and timed to coincide with implementation by January 2017, and that the Vice Chancellor have the authority to strategically allocate these funds to advance Unified Online; and
- e. That it is the responsibility of the Vice Chancellor of Academic Affairs working with the Chief Academic Officers to assure emerging issues with respect to academic oversight and shared governance are appropriately processed with campus faculty governance bodies. Recommendations for the Implementation of Academic Oversight related to the Unified Online Implementation Plan, Board of Trustees meeting, July 7, 2016, p. 105-106. <http://staticweb.maine.edu/wp-content/uploads/2014/02/Full-Meeting-Materials79.pdf?565a1d>

After reviewing the Unified Online Reports, Chancellor Page's response regarding Standard 4.36 in his September 7, 2016 letter, and the latest report on Academic Transformation, there does not

appear to be a basis for serious immediate concern that the System Academic Officer will become the University Chief Academic Officer. It is true that the Vice Chancellor for Academic Affairs is playing a prominent leadership and facilitating role regarding Academic Transformation (as illustrated in the quotes above). However, at this stage in the process, accredited universities within the system remain the primary focal point for quality assurance and are the degree-granting entities in multi-campus academic initiatives in a manner that conforms to the NEASC standards. Furthermore, Chancellor Page appears to have deliberately maintained only a limited system academic affairs staff and relied mainly on campus-level leaders for system academic affairs functions. The UMS has had a full-time Vice Chancellor for Academic Affairs for about a year and only recently added a position of Vice Chancellor for Academic Innovation and Partnerships.

The number of multi-campus programs continues to increase. Most of these will continue to meet NEASC Standards. However, it is likely that proposals will be made (if they have not been already) for new system programs to which multiple campuses contribute but for which no single accredited campus has primary responsibility. The UMS will need to consider organizational options for establishing a system-wide unit which is an “accreditable” entity meeting NEASC Standards. Other systems throughout the country use a variety of alternatives including (but not limited to) separately accredited “colleges” reporting directly to the system or units linked to already accredited universities within the system. The Unified Online Report shows that UMS is already well aware of this potential future need for such a structure and has considered several options. Understandably, there is likely resistance from existing campuses to any new potentially competitive delivery system, especially one with degree-granting authority. NEASC could recommend that the UMS take proactive steps to explore these alternatives with NEASC to ensure that whatever approach the System adopts is consistent with NEACS Standards.

I hope that these answers respond to your questions. Please let me know if you would like us to explore these issues in greater depth.

Best wishes,

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