CHAIR & DIRECTOR LEADERSHIP IN DIFFICULT TIMES

~ UNIVERSITY OF MISSOURI, KANSAS CITY ~

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Today, we will...

• Discuss trends affecting all of higher education
• Discuss trends affecting UMKC
• Eat lunch 😊
• Whine 😞
• Discuss faculty morale and productivity
• Discuss possibilities
• Make recommendations for the Provost and President (for actions and communication)
Nine Trends Affecting Public Higher Education

1. Money woes
2. Penny pinching
3. Public perception
4. ROI is King
5. Different demographics
6. Older & wiser
7. Give it a swirl
8. Engaged consumers
9. Technological advances & multiple options
Money Woes

Many families are experiencing a diminished ability to pay for a college education.

Compared to pre-recession levels, median household income, home equity, and net worth are all down.

Meanwhile, college tuition costs have continued to climb steadily, even after financial aid is factored in.

The annual net price of tuition, fees, room, and board at a private nonprofit institution ($23,840) now averages almost half of what the median household earns in a year.
Penny Pinching

Even more families are reevaluating the price they are willing to pay for a college education.

The cost of a college education is bumping up against the ceiling of what families will consider paying.

Even students from upper-middle-income families are experiencing higher levels of student debt and factoring in the cost of post-graduate study and the ROI of majoring in certain fields.
Public Perceptions

Media coverage and legislative attention are shaping public opinion about the value of a college degree.

While an overwhelming majority of the public believes a college education is necessary to get ahead, a “value gap” has opened up in the polling because far fewer people believe going to college at any price will be worth the financial investment.

Government funders, as well, are looking to make their appropriations contingent upon institutional performance measures.
Return on Investment is King

Families are seeking evidence of successful results to justify their college investment.

Higher education has become less an end in itself and increasingly a means to an end—primarily an economically viable career path.

In calculating a college’s value proposition, families factor in outcomes as well as cost and prestige. They expect proof of high graduation rates and graduate employment at acceptable salary levels.
Different Demographics

The number of high school graduates is shrinking, but the proportion who are ethnically diverse is growing.

The country’s changing demographics, combined with a widening gap between the nation’s rich and poor, is producing more first-generation students and students from socioeconomic backgrounds that not only make paying for college a challenge, but also leave them underprepared for college-level study.
Older & Wiser

Non-traditional-age students still represent a largely untapped market.

During the economic recession, more people age 25 and older returned to college, but that bump reached its peak in 2010. But non-traditional students are also more likely to drop out in their first year, so they seek convenient course scheduling, assistance in the financial aid process, tutoring and counseling services, and centers for veterans.
Give It A Swirl

More students are attending multiple institutions in their pursuit of a degree.

Transferring is increasingly becoming a cost-conscious part of students’ long-term plans to affordable degree completion. A plurality of students who transfer from a private nonprofit institution attend two-year public institutions, with four-year public institutions being their second most popular destination.
Engaged Consumers

Growth in mobile online access and social media use is allowing people to instantly verify any claims a college makes.

Generation C” (the C is for “connected”) is not bound by age brackets, but rather by shared behavior: their use of real-time social, local, mobile (SoLoMo) technology.

They find it increasingly easy to investigate institutions’ reputations via online networks, word-of-mouth recommendations, and other communication channels beyond the colleges’ direct control.
Technological Advances & Multiple Options

We are no longer dependent on a single model of educational program development, that of the tuition paying student attending courses that aggregate to a degree.

The proliferation of delivery options, ranging along the spectrum from fully face-to-face classes to blended to online to open certificate to open materials, means that the instructional model can flex to meet any level of demand. Under this new regime, the key question to ask is not, “is there a market for these courses,” but “where do we have faculty and institutional expertise?”

Kim, J. “Why every university does not need a MOOC,” InsideHigherEd.com, March 6, 2012.
Table Discussions

• How does the trend impact the university?
• How does the trend impact our departments/our faculty?

• What has you most concerned?
• What threats does the trend suggest?

• Is your department well-positioned to respond to the trend?
• What opportunities does the trend suggest for us?
Top Trends Impacting UMKC

1. Decreasing state funding
2. Increased demands for accountability from external constituents
3. Increased focus on student persistence and completion
4. Increased student reliance on federal and private loans (debt)
5. Shift to performance-based funding
6. Tuition limits set by state government
7. Perceived decreased value in a liberal arts education and more focus on higher education’s role in preparing the work force
8. College readiness
9. Decreased federal funding for research
10. Increased federal regulation and oversight
11. Unfunded mandates
12. Adjunct hiring
State Funding for UMO

1. State support for operations over the past eight years has been stagnant in nominal terms and declining in real terms.
2. Missouri higher education and the University of Missouri are underfunded when compared to higher education in other states.
3. State support has declined at a time when enrollments have grown significantly thus the resources per student available for maintaining a quality educational program have diminished, both in nominal and real terms.
4. Extraordinary withholdings, annual 3% withholdings and below inflation increases in state support have had the following impact:
   a. Access and affordability: Increasingly the cost of education has been shifted from the state to students and their families and student loan indebtedness has increased for all types of students.
   b. Compromised the university’s ability to recruit and retain top faculty: Ranked faculty salaries are in the lowest quintile with a potential long term impact on teaching, research, and technology transfer.
   c. Increased deferred maintenance: There has been a reduction in the amount available to fund on-going maintenance and repair creating a backlog.
5. The 3% Governor’s reserve (withholding) was released for higher education prior to the mid eighties except in short periods of economic downturns. Since 1986 only a small portion of the reserve, if any, has been released even during good economic times.
6. The potential impact of the release of the annual governor’s withholding reserve would be competitive faculty compensation, increased economic development and technology transfer, and additional investment in on-going maintenance and repair to reduce the deferred maintenance backlog.
## Annual Cost to Attend UMKC

### In-State

$22,188

**Cost Breakdown**
- $8,103 tuition
- $11,552 on campus room & board
- $1,180 books & supplies
- $1,353 fees

(Based on stats from 2013/14)

### Out-of-State

$34,935

**Cost Breakdown**
- $20,502 tuition
- $11,552 on campus room & board
- $1,180 books & supplies
- $1,353 fees

(Based on stats from 2013/14)

~ $3,878 Annual Institutional Aid ~
- 92% of students receive aid
- 42% get federal aid ($4,118 ave.)
- 43% get state aid ($1,000 ave.)
- 66% get institutional aid ($3,878 ave.)
- 60% get loans ($6,236 ave.)

~ Ranks 15th in Missouri for 4-year colleges for affordability ~
~ 62nd most expensive 4-year college in the state (out of 79) ~
[15th cheapest 4-year college in the state]
Table Discussions

• How do you think these issues most affect the university?

• Of the issues, which ones most affect your department?

• Of the issues, which ones most affect your faculty?
LUNCH
IMPACT?

Let’s gripe for a bit...
Table Talks [“Whine Time”]

At your tables, discuss and list...

What complaints have you heard, or do you have, about:

1. The administration?
2. The press?
3. The legislature?
4. Students?
Your Faculty

1. What external factors most affect faculty morale in your department?

2. What internal factors most affect faculty morale in your department?

3. What external factors most affect faculty productivity in your department?

4. What internal factors most affect faculty productivity in your department?
Multiple Perspectives

• How do students (and parents), elected officials, trustees frame the problems facing the university?

• What are the most difficult arguments to refute from each constituent group?

• Why are the counterarguments higher education has offered unpersuasive?
A Tale of Two Billionaires

• One an arch conservative, the other notably liberal

• Have established together a $10M prize for the University, $1M prize for a department, and $250K prize for the chair at a public university that has the single best idea to contain costs and, at the same time, increase quality as measured by graduation rates and some test of competency designed by the department/university.

• What idea would you submit?
Sensemaking Session

• What do we see?

• What are the implications?

• What are some possible next steps for chairs?
Possible Steps

• Develop one feasible, actionable recommendation for the Provost and President to implement that would meet the concerns of BOTH the public and the chairs.

• What do you want from the Provost and President in terms of communication?
Have we met the enemy?

...and he is us...

Why are we often butting heads instead of working collaboratively to define the shared problems and find solutions that satisfy everyone?

Pollyanna or Possible?
**Steps to Inclusive Cultures and Shared Responsibility**

- Ensure more UPSTREAM, “sense-making” time spent in discussions with administration, faculty leadership, and the governing board
- Discuss:
  - The hallmark characteristics of a great university (in your context)...the “meaning” of a degree from your institution
  - The unique and shared contributions of each group (admin, faculty, board)
- What ideas do we have for how we can balance autonomy, consultation, and accountability in these unique and shared contributions?
- How might we best capitalize on the multiple perspectives of faculty, administrators, and trustees to discover better goals, better problems, and better solutions and to learn better as an institution?
- How might we order our life together so that these points of intersection become opportunities for creative problem solving rather than bones of contention?
- How do ensure that we understand the cultures in which we all exist?