



Office of the Provost

TO: W. Taylor Reveley, III, President

FROM: Michael R. Halleran, Provost  
*M. Halleran*

DATE: July 1, 2011

SUBJECT: Report of Academic Productivity

In your memo of October 12, 2010, you asked me to take the lead on working with the deans in the area of academic productivity. Here I summarize the reports I received from the academic deans (full reports attached) and describe some of the ways planned or suggested for moving forward.

As you requested in your memo, let me begin with describing some of the ways in which the academic enterprise is already lean and operating very efficiently. The macro picture is very familiar: we rank 31<sup>st</sup> in *USN&WR* in overall quality of undergraduate education among national universities, while coming in a thunderously low 85<sup>th</sup> in resources. *Kiplinger* rates W&M the 4<sup>th</sup> best “buy” among public universities nationally, and an internal analysis shows that in terms of cost per degree we fare favorably in the state. The recent budget cuts have forced us to be even more efficient, in that we are providing (slightly) more students with a high quality education with fewer resources. Unfortunately, these cuts have been painful and as currently carried out are not sustainable (or desirable) in the long term. Various examples follow.

*Recent Cost Savings*

Most recently, academic units have responded to budget cuts by a combination of reducing their instructional budgets and increasing the number of students taught. In Arts & Sciences and the Mason School, for example, TTE faculty positions have been replaced (at least in the short term) by NTE faculty and adjuncts. NTE faculty have slightly higher teaching loads and lower salaries and so these programs have been able to teach more students, while still retaining a W&M-style of engaged learning for our students, albeit with a small percentage of fully committed TTE faculty. In blunt numbers, A&S has absorbed a cut of over \$1M to its instructional budget in the last three years and the Mason School almost \$742,311. A&S, although the recent cuts have reduced their TTE faculty, actually has more TTE faculty than seven years ago because salary savings from retirements/resignations have been reprogrammed to create additional TTE lines. This reprogramming has helped to strengthen our curricular offerings and intellectual capital but at the cost of other potential investments (in salaries, M&O, start-up packages, etc.).

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The Mason School, like A&S, has reduced the percentage of instruction offered by TTE faculty, while also reconfiguring Cam staffing and restructuring the management of its MBA program. The School of Education has absorbed \$73,237 in budget cuts over the past three years and has responded in a similar fashion: some classes with increased enrollments, a greater reliance on adjuncts, more careful enrollment management and curricular planning.

The Law School has seen its state budget decline by \$961,208 during this same period, but as a graduate-only program, tuition increases have allowed them not to reduce their TTE faculty. The Law School has also increased its revenues by offering more summer courses (both LLM and JD), expanded its Madrid program, had faculty on SSRL teach a one-credit mini-course and been able to employ visiting international professors in the classroom. Needless to say, achieving "efficiency" through faculty reductions is problematic, especially when it is done retroactively in response to budget cuts. It erodes the core TTE faculty with impact on continuity, student engagement with faculty and, potentially, the overall quality of education. There is no "right" ratio of TTE/NTE faculty, but the best balance is arrived at most effectively with planning and strategy amid the many factors, goals and constraints.

VIMS has been most deeply affected by the reductions to their budget since tuition increases have not been available to cushion the blows of these cuts, as they have had to absorb more than \$6M in cuts since 2008. Through an extensive and thoughtful process, VIMS strategically made cuts in faculty, staff and programs, moving some operations from general to non-general funds, reorganizing some offices, reducing energy costs and revisiting every aspect of their operations. They also increased efficiencies with no additional costs in their offices of facilities management and sponsored research, graduate curricular offerings, and the VIMS Aquarium. While it represents only a modest re-investment, the recent state allocation to hire four new VIMS TTE faculty is an important step towards rebuilding their research strengths.

In rare cases has any unit employed the strategy of discontinuing programs. Phasing out participation in the consortial PsyD program has freed up modest funds to be reprogrammed into other areas. Having so few graduate programs, however, and having already eliminated many MA programs in the mid-'90s, there are very few opportunities for such an approach. In truth, if we are to continue as a great liberal arts *university*, it would be difficult to become much smaller in this domain. No school has undertaken discussion about eliminating any undergraduate program, and if one took only an accounting perspective, we really do not have "inefficient" programs and part of our attractiveness (compared to a classic liberal arts college) is our greater range of offerings.

The undergraduate programs also, in the College's agreeing to accept 200 more students over the next four years, will generate new revenues, which can be invested in our academic mission in a variety of ways.

### *Proposals for New Revenues*

Simply put (by a non-economist), to improve efficiency one either reduces costs or increases revenues. Several proposals looking forward seek the latter. Here are some examples:

- Arts & Sciences points to three areas for increased revenues: 1) more control and an incentive system for expanded summer programs on the Williamsburg campus; 2) St. Andrews joint program; and 3) different cost model for D.C.-based summer “Security Institute.” The St. Andrews program seems to be – at this early juncture – very successful and will increase revenues, even while fully funding this new and innovative program. Suggestions #1 and #3 are under active discussion.
- The Business School has recently engaged with the U.S. Army to teach 20 additional MBA students (at full tuition).
- Various proposals for increasing revenues at the School of Law could lead to *incremental* income of more than \$300k, chiefly through expanding the very successful LLM program.
- The School of Education sees potential in an Executive EdD program, responsive to professional needs and taking advantage of a new delivery model and the D.C. office. It also thinks that an ESL program, in conjunction with MLL faculty, leading to an “endorsement” can generate modest new revenues. It estimates that the Exec EdD can generate initial annual revenues of \$40k, with some increase above that with program growth. The ESL program, being launched as a pilot this summer, will generate modest tuition increases through our regular summer session.
- VIMS has plans to increase revenues through their dive office, vessel operations and seawater research laboratory. Revenues could amount to \$500k/year.
- VIMS and other parts of the campus continue to be highly successful at securing external grants, and the new F&A rate of 48% will increase the funds available for re-investment in research.
- The Mason School also suggests increasing the teaching load of faculty who are participating less actively in the College’s research mission. This would generate savings by having more teaching provided by the same number of faculty, although it is challenging internally (concerns about a “two-tiered” faculty) and sub-optimal – because it stands outside our standard blend of teaching and scholarship. That said, it is appropriate in some circumstances and allows for savings that can be reinvested in faculty and the academic mission.

### *Concluding Suggestions*

This report and the more detailed ones from the individual schools lead to five broad conclusions:

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- 1) By almost any measure we are already very efficient in offering engaged learning at the highest level that we do.
- 2) In recent years, in response to deep budget reductions, all the schools have become even more efficient in providing high-quality instruction.
- 3) Responses to recent budget cuts threaten to erode the quality of this education.
- 4) All schools are beginning to think creatively about how they can reduce costs and/or increase revenues.
- 5) Further changes in instructional staffing, if undertaken, would need to be carefully planned – for intended and unintended consequences.

More globally, as individual units think creatively about new revenue sources, we need to develop guidelines that accomplish three elements in our financial model: 1) an incentive system for entrepreneurial initiatives; 2) a clear definition of how new revenues intersect with existing budget allocations; and 3) attention to balancing the competing claims of local units and central budgets so that we can proceed as one university, with admittedly many parts. I will be working with the deans to refine their plans for innovation, efficiency and revenue generation within these parameters.

MRH/cef

Attachments

c: James R. Golden, Vice President for Strategic Initiatives