

Update on Program Prioritization at the University of Idaho

August 2019

Board Policy V.B.11: Program Prioritization

- a. Program Prioritization is a process adopted by the Board in setting priorities and allocating resources among programs and services with a specific focus on Mission, Core Themes and Strategic Plans.
- b. Program Prioritization shall be incorporated in the colleges and universities' annual budgeting and program review process.
- c. Annual Program Prioritization updates are to be submitted to the Board by the colleges and universities on the date and in a format established by the Executive Director.

Recent History of Program Prioritization at the University of Idaho

In 2013, the State Board of Education (SBOE) mandated that all universities engage in program prioritization as a way to address the Governor's zero-based budgeting requirement. Their intent was for institutions to critically review their academic programs and non-academic support functions, building a culture of continuous improvement and internal reallocation to meet institutions highest goals and objectives instead of reliance on new monies from the State of Idaho.

The University of Idaho conducted program prioritization several times between 2000 and 2013. Prior to 2013, there were at least two program prioritization processes that identified programs for closure and investment. The Board mandated 2013-2015 effort by interim leadership was branded "Focus for the Future" to highlight the need for a renewed approach, given the Board's interest in an ongoing process. The process initially resulted in a prioritization that the SBOE found not compliant with their guidelines. These results were adjusted to meet the Board's requirements and led to six moved/restructured degrees, five program consolidations, one name change and nineteen discontinued programs. For example the closure of the Office for Community Partnerships released over \$460,000 that was invested in faculty positions in international studies and natural resources as well as additional base funding for the Library.

New leadership worked with faculty senate in 2015-16 at the behest of the SBOE to continue to improve the program prioritization process at the UI. A [subsequent string of communication](#) and committee work ensued and a new transparent and collaborative program prioritization process developed. Updates regarding this new program prioritization were provided to the SBOE in August 2015 and August 2016. At the August 2016 meeting, the Board commended the institutions for their work on implementing program prioritization processes that were viable and sustainable.

The University of Idaho is now moving into a third improvement cycle of our program prioritization process. This process is embedded in our annual budgeting cycle and has yielded significant resources that have been dedicated toward university priorities.

The University of Idaho Program Prioritization Process

The University of Idaho assesses overall program priority by evaluation against three criteria:

1. Essentiality to the University of Idaho's mission (20% weighting)
2. Contribution to the University of Idaho's strategic plan (50% weighting)
3. Institutional financial investment in Banner departments (30% weighting)

This approach reflects the university community's desire to align our program prioritization and strategic planning efforts. These criteria were separately assessed using focused tools specific to each of four key functional areas of the university:

Academic departments

Student/Faculty service departments

Research centers/Extension/Community engagement departments

Centrally provided service departments

Banner is our Enterprise Resource Planning (ERP) tool and a department is a specific budgetary unit within the Banner ERP. Thus, the departments above encapsulate ALL units at the University of Idaho that have access to monetary resources.

The results of the assessment are all numeric and range in value from 0 (lowest performance/priority) to 1 (highest performance/priority) within each functional area above, and are available as an ordinal ranking or, per Board guidelines, as quintiles. Budget reductions have been defined for each Vice Presidential area based on the relative scores and current general education budget of each department.

University Budget and Finance Committee (UBFC) – Funding Priorities

Each year, the university community is invited to submit ideas requiring new sources of funding. The proposal process is managed by a committee of Faculty Senate (which includes Staff Council and student representatives). The committee evaluates and ranks all proposals, then sends them to the President's leadership team for further evaluation. Based on the amount of reallocated and new revenue, the President makes the final funding decisions. Recurring, base general education budget is considered during the program prioritization process, as are other new revenue sources such as net tuition revenue, state appropriations or increased overhead from Federal research grants. Additional one-time investments are typically funded through a separate mechanism of collecting unspent general education budget within units across all functional areas at the University of Idaho. Final funding decisions and amounts are shared broadly with the campus community.

Recent Results and Reallocations

The entire campus was encouraged to participate in developing the program prioritization process. However, there was significant consternation expressed by those that were not highly ranked in the process, a reaction which is to be expected in a process that places units in competition with each other. The results have been utilized twice to meet high priority financial needs since Fall 2017.

In Fall 2017, the two highest priorities identified by the UBFC were competitive Teaching Assistant (TA) packages and investment in faculty and staff salaries to improve market competitiveness. Program prioritization identified \$2 million. This funding was coupled with an additional \$2 million in anticipated new tuition revenue and centrally reallocated funds, to meet the required \$4 million target for increased compensation. The funding of our TA packages to competitive levels resulted in a significant increase in new graduate student enrollment in the subsequent Fall. The salary increases for faculty and staff addressed longstanding equity issues across many dimensions of our demographics. In addition, we applied a 1.86% flat rate contribution from prior year unspent general education budgets to yield \$500,000 of one-time funds for updated Zoom videoconferencing and to address emerging needs in University Communications, the library and Staff Council.

The same program prioritization process identified another \$5 million in permanent base general education funding reductions in Fall 2018. Given the significant base reductions required in academic programs, the Provost instituted a position control mechanism where faculty position turnover is managed at the University level rather than at the College or department level. Of the \$5 million in reallocated base funding, \$3 million was utilized to address ongoing tuition revenue shortfalls and the remainder was invested in UBFC priorities as well as allowing for a small strategic reserve for the new president. One-time unspent general education budget accumulations contributed at a rate of 6.87% to yield \$1.5 million for investment in faculty start up, University Communications, the Graduate College recruiting efforts, and the College of Art and Architecture technology upgrades.

The Third Evolution of Program Prioritization

This fiscal year, the University of Idaho will undergo its third evolution of the program prioritization process since the Board's initial charge in 2013. Several areas for improvement have been identified by the university community. First, the process in place relies heavily on surveys of university community members for relative centrality to mission of each unit. In such surveys, vital functions (e.g. utilities operations, Title IV investigation office, the Office of the President) were not "popular" uses of institutional funds and, thus, have taken a disproportionate cut during the last two cycles of program prioritization. It is time to reassess and adjust the approach and its impact on critical function units.

The Institutional Planning and Effectiveness Committee (IPEC) recommends that we modify criterion two of the current program prioritization process to minimize or eliminate narrative-based assessments. A subcommittee to IPEC has made specific recommendations on the use of dashboards and standard measures of productivity for academic units. In addition, there is widespread agreement the our Cascaded Planning process could be a proxy for assessing criteria for all units on campus and would likely be the best tool for non-academic departments.

Finally, we have utilized the program prioritization process primarily as a reallocation methodology and secondarily as a means of assessing the viability of academic programs. The new approach will more directly measure viability of academic programs and will likely yield more actionable data and information.