

UNIVERSITY OF NEBRASKA

OFFICE OF THE PRESIDENT

MEMORANDUM

DATE: June 22, 2023

TO: Board of Regents

FROM: Ted Carter, President

T. Carter 6/22/23

RE: Initial Response to May 31st Charge

Since our conversation on May 31, 2023, I have been working with University leadership to develop a plan to respond to the challenges we face. I have also been reflecting on conversations we had during the Presidential Search process and early in my tenure at the University of Nebraska. None of us could have predicted that a global pandemic would strike nor its persistent economic impact. This disruption has required us to press “pause” on the ambitious goals we had in 2020 and play “defense” to protect our University.

The “Strategic Priorities for the Next President” articulated by the Board in the Leadership Profile provide an excellent foundation and vision to chart our path forward. It is imperative that we realign ourselves with these strategic priorities and return to “offense.” I would specifically call attention to the following strategic priorities:

- **Promoting a 21st Century, Future-Driven Mission** – you asked me to play a significant role in courageously advancing the University’s land-grant identity, reputation, and mission; and to promote and foster interdisciplinary collaboration that ensures we meet the needs of rural, suburban, and urban communities across our state.
- **Navigating a Changing Landscape** – you asked me to bring fresh ideas to an evolving higher education model that requires creative broadening of revenue streams coupled with bold and strategic moves to drive efficiency without compromising mission or student success.
- **Increasing the University’s Presence Regionally, Nationally, and Internationally** – you asked me to spearhead aggressive efforts for increasing the University’s visibility and reputation regionally, nationally, and internationally to create opportunities for building upon our distinguished history, contributions, and impact on a global scale.

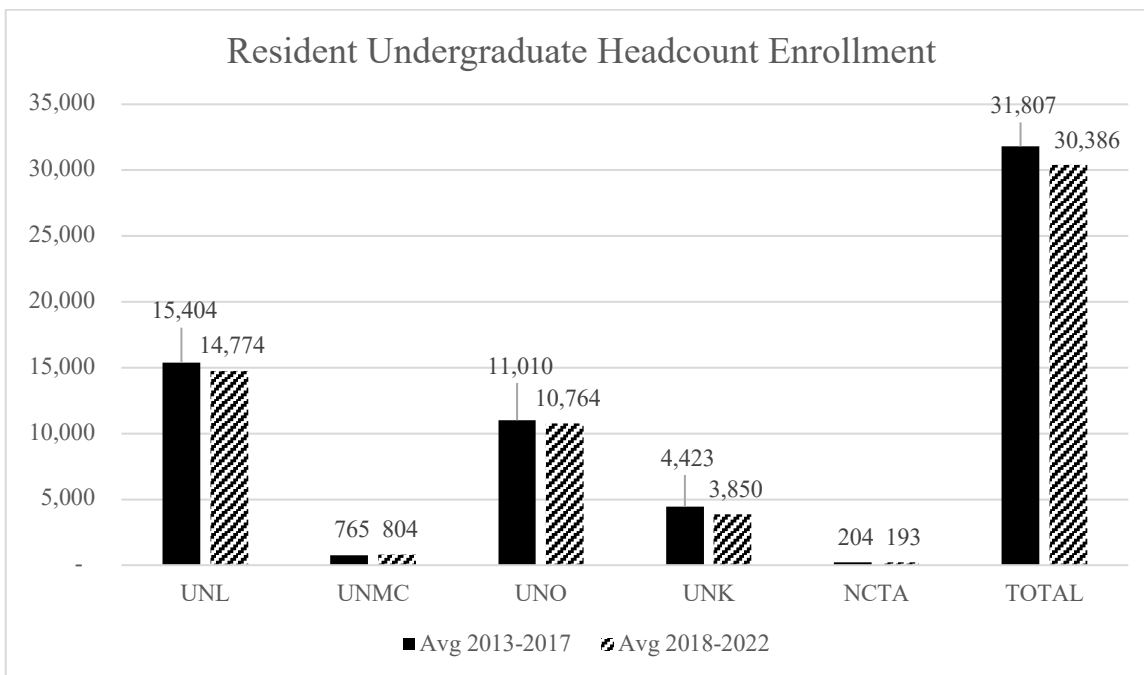
These strategic priorities and the parameters set by the Board on May 31 have guided our work on an initial response and plan.

- | Parameters from May 31, 2023 Board of Regents Meeting | |
|---|---|
| 1. | Plan should include vertical, not horizontal “peanut butter” cuts. All options should be on the table, including structural change. |
| 2. | Plan should be University-wide, with no campus exempt. |
| 3. | Plan should include strategies to address areas where the University needs to improve, including enrollment, faculty salary competitiveness, and federal research growth. |

I. Renewed Focus on our Customers

The University Charter,¹ dated February 15, 1869, clearly articulates our mission, “to afford to the inhabitants of this State, the means of acquiring a thorough knowledge of the various branches of literature, science, and the arts.” Through Regents’ Policy 2.1.6, the Board reaffirmed that “the first priority of the University of Nebraska... is teaching with special emphasis on teaching the undergraduate or first-professional-level student.” Stated most simply, providing a high-quality undergraduate education to Nebraskans is our highest purpose.

In recent years, the number of resident students pursuing undergraduate study at the University of Nebraska has declined. The table below compares the most recent five-year period with the prior five-year period. Between these two periods, we have observed a 1,400+ decline in undergraduate resident students.



Source: Enterprise Data Solutions (data.nebraska.edu)

¹ <https://unlhistory.unl.edu/legacy/charter/rg01-01-02-charter-unl.html>

As Nebraska's only public university, we must address this trend head on. Earlier this week, I directed the following:

a. Presidential Student Recruitment Ambassadors Program

We will be launching the Presidential Student Recruitment Ambassadors program. 100 resident undergraduate students in good academic and conduct standing will be eligible for a \$2,000 stipend/scholarship if they participate in the program. Participants will visit their high school, provide University materials to guidance counselors, and answer questions from prospective students three times per year. Applications for the program will open soon and be awarded no later than August 30, 2023.

b. Full Time In-State Recruitment Ambassadors

We will be hiring up to ten recent graduates to serve as full-time, in-state recruitment ambassadors. I want the University of Nebraska to show up to major events statewide (e.g., county fairs). We will build a calendar and divide events among the team. We will be more accessible to prospective students than ever before. Applications for these positions will close by August 30, 2023.

c. Regents Scholarship Model

We will review the current Regents Scholarship, seek peer comparisons, and recommend a new leading-edge scholarship program covering total cost of attendance (TCOA) for Nebraska's top students. We will have a report for the Board of Regents no later than December 31, 2023.

d. Shared Application

We will evaluate the University's shared application to determine whether admissions time and resources are being maximized or overextended.

II. Raising our Academic Profile and Research Capabilities

In 1909, the University of Nebraska became the 18th institution invited to join the Association of American Universities (AAU) and by 1910, we were the 12th largest university in the nation and one of the six largest state universities.² We are one of five institutions that have left the AAU. As I interviewed for the presidency and as Dr. Bennett has interviewed for the chancellorship, we raised the logical question: why not seek to achieve the requisite metrics to be considered for readmission?

Why does membership in the AAU matter? A New America post³ sums its importance well: "No other organization captures the imagination of aspiring college administrators like the AAU. It

² Prairie University: A History of the University of Nebraska by Robert E. Knoll

³ <https://www.newamerica.org/education-policy/edcentral/newaau/>

has no competitors in the realm of defining institutional prestige. Scholars rank their peers and self-worth based on their association, or lack thereof, with AAU institutions. The AAU's definition of excellence, created long before the advent of mass higher education, is the only one that matters.”

The AAU and its members have a louder microphone to influence national higher education policy—especially relating to federal research investments. 64% (~\$31.5 billion) of all federally funded R&D is conducted by AAU members.

It also matters for our students. The University of Utah, which was admitted for membership in 2019, commented: “For students, [Utah] joining [the AAU] means the value of your degree just went up. This means that students that are here and graduated from here carry the AAU brand with them. In the notion that you graduated from one of the best public universities in the United States.”⁴

To build toward this goal, earlier this week, I directed the following:

a. Membership Indicators Dashboard

The first step is understanding where we are today. We will develop a dashboard detailing the University's performance against the AAU's Membership Indicators⁵ and relating said performance to the current AAU membership, as well as non-members holding a Carnegie R1 classification.

b. Federal Research Funding

The first Phase I Indicator measures competitively funded federal research support.

i. University-wide Institutes and Programs

The University makes significant investments in University-wide institutes and programs. We will review the Buffett Early Childhood Institute (BECI), Daugherty Water for Food Global Institute (DWFI), EPSCoR, and National Strategic Research Institute (NSRI) for current and potential federal funding generation. Our goal should be to set a date certain by which these entities generate no less than \$1 in federal funding for every \$1 we invest.

ii. Nebraska Research Initiative

The Provost's Office will review the impact of investments through the Nebraska Research Initiative (NRI) on federal research generation. I have asked that these funds be used to seed federal grant funding going forward.

⁴ <https://dailyutahchronicle.com/2019/12/04/association-of-american-universities/>

⁵ <https://www.aau.edu/who-we-are/membership-policy>

iii. Federal Outreach and Advocacy

The Office of External Relations will prepare a report on best practices in federal outreach, including a gap analysis relative to our current efforts. We will seek feedback from our partners and national organizations regarding our current level of effectiveness in this area.

iv. UARC Rates

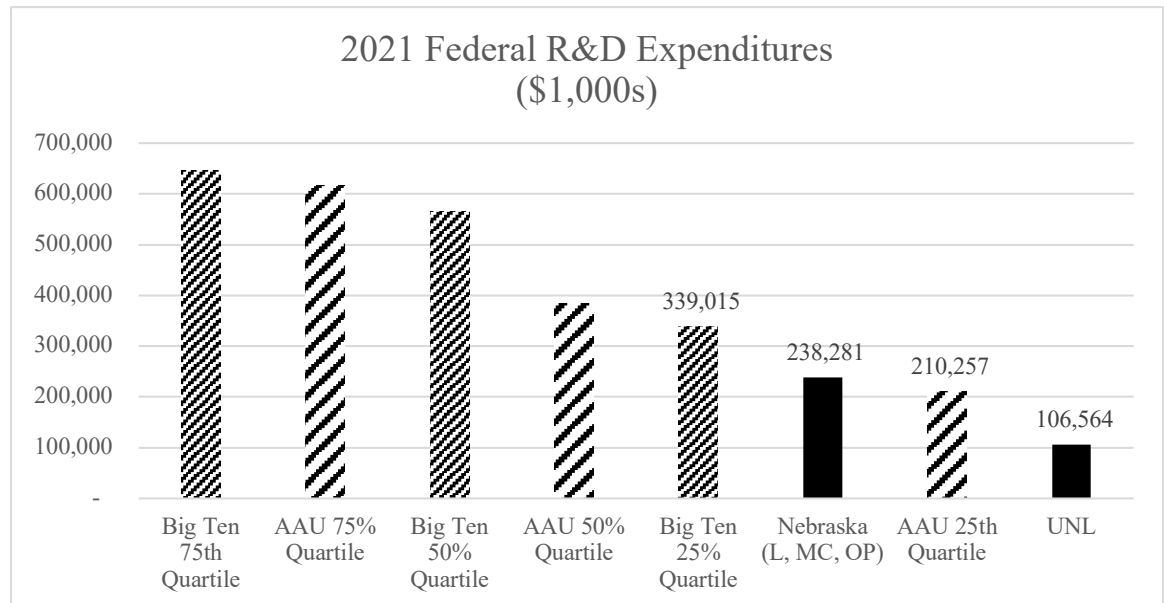
We will retain a consultant to evaluate our University Affiliated Research Center (UARC) structure and rates (F&A/G&A) charged to research projects. We will strive to remove persistent barriers to faculty involvement in UARC research.

c. Reporting Structure

76% of public AAU institutions have a medical school. Purdue is the only other Big Ten institution without a medical school. We are at a competitive disadvantage reporting the excellent work of our faculty as three separate entities (Lincoln, Medical Center, and Office of the President). I have tasked a group to realign those three entities as one “University of Nebraska” reporting entity.

The immediate result:

- In total R&D, we advance from 87th to 55th in the nation.
- In federally funded R&D, we advance from 117th to 66th in the nation.



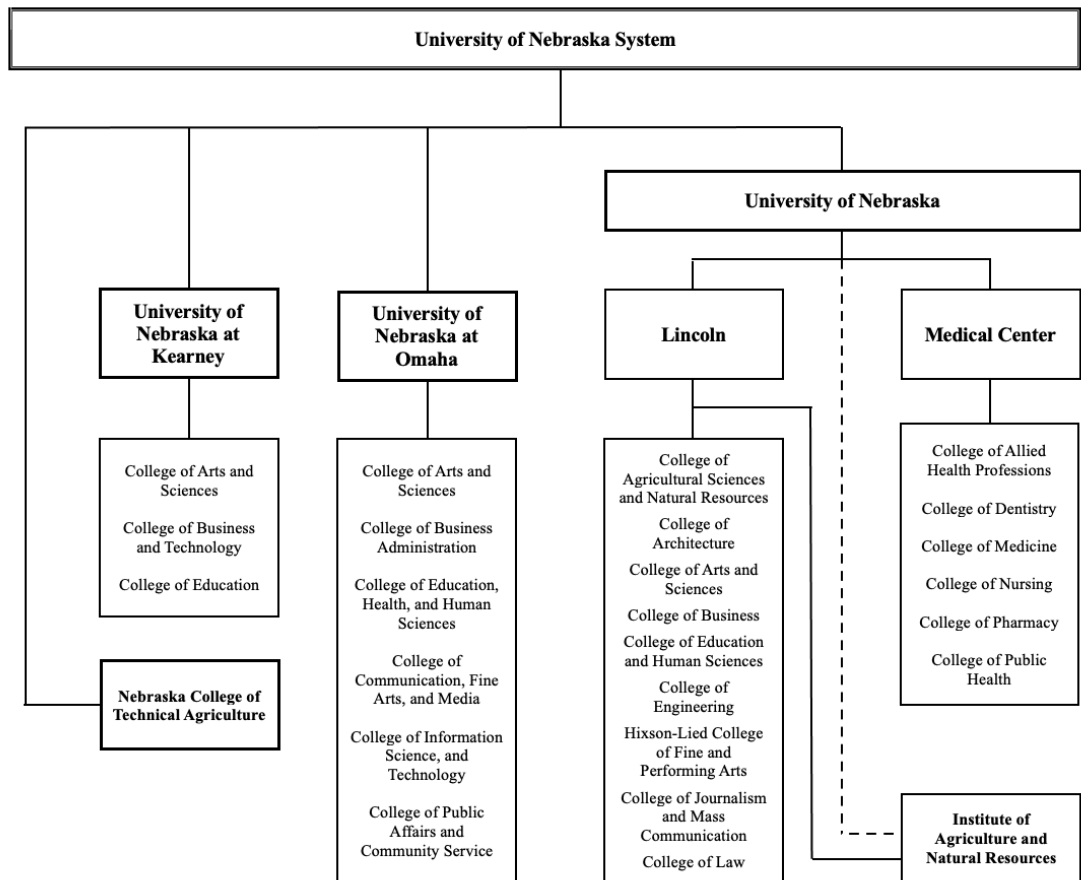
Source: National Science Foundation

Note: Combined “Nebraska” figure contains passthroughs. Final aggregate total may be less than the sum of the three entities.

Several of our recent research successes have been collaborations between UNL and UNMC faculty. For instance:

- Nebraska Drug Discovery and Development Pipeline (UNL Department of Chemistry and UNMC Department of Pathology and Microbiology)
- Virtual Incision (UNL Department of Mechanical and Materials Engineering and UNMC Department of Surgery)

Realignment strategies like this are becoming more common. In 2021, the University of South Florida moved to a single accreditation and began reporting as one entity. In 2019, the University of Maryland-College Park and the University of Maryland-Baltimore began reporting together in recognition of their strategic partnership. In 2013, Rutgers merged with the University of Medicine and Dentistry of New Jersey. Additionally, the Indiana University School of Medicine is included as part of Indiana University's reporting, not IUPUI.



III. Academic Program Array

The University of Nebraska System offers students a wide array of program offerings. At UNL, undergraduates have over 150 majors to choose from; and at UNO and UNK, undergraduates have over 110 majors to choose from. We also offer a multitude of minors and certificates.

The Coordinating Commission for Postsecondary Education (CCPE) sets minimum performance standards⁶ for instructional programs. The University also conducts Academic Program Reviews (APRs) on a seven-year rotation.

Traditionally, this information has been presented to the Board of Regents—and specifically the Academic Affairs Committee—as static reports. Going forward, I have requested that a dashboard be developed to provide a high-level view of our academic programs and their performance against the CCPE minimum performance standards. My goal in establishing this dashboard is to engage in an ongoing review and conversation to strengthen our academic programs and to provide early warning signs.

We have current examples of shared programs between campuses, including several engineering programs and the criminology/criminal justice program. We also have approximately 20 programs offered on all three undergraduate campuses, and an additional 20 programs offered on two undergraduate campuses. I have directed the Provost's Office to convene a working group to evaluate programs offered by multiple campuses for collaboration opportunities.

IV. Transparency, Communication, and Change Management

We are about to embark on a period of significant change. Our goal should be to take assertive action to set the University on a positive trajectory for the next 1-2 decades and avoid our annual non-strategic budget cutting for the foreseeable future. Anytime an organization undertakes a significant change initiative, communication and stakeholder engagement are critical.

To this end, we will:

- Begin hosting a monthly Zoom webinar at a common time for employees to receive a 45-minute update on our progress. In addition to an update, there will be a question/answer period.
- Establish a University Council, to be convened quarterly. Chapter 2 of the *Bylaws of the Board of Regents* emphasizes the importance of the interrelationships of the Board, the administration, the faculty, and the student body. The University Council will be comprised of the leaders listed in Chapter 2: the President, the Vice Presidents, the Chancellors, the Deans, the Faculty Senate Presidents, and the Student Body Presidents.
- Develop an incentive program as authorized by Regents' Policy 3.2.5 by which employees will receive a monetary reward for extraordinary initiatives or ideas which

⁶ https://ccpe.nebraska.gov/sites/ccpe.nebraska.gov/files/AP_Guidelines_Review%20of%20Existing%20Instructional%20Programs.pdf

result in ongoing savings or additional revenue to the University. This incentive program will function similarly to the Department of Administrative Services (DAS) employee suggestion system authorized by Neb. Rev. Stat. § 81-1346.

- Establish solutions@nebraska.edu and a hotline to field concerns or service issues resulting from organizational changes. We have received feedback that service delivery levels have suffered in some areas changed as a result of the Budget Response Team (BRT) effort. We will commit to tracking concerns and their resolutions going forward. We hope a single point of contact will help.

V. **Operational Excellence**

To enable the strategies detailed above, we must conduct our non-academic operations in the most efficient and effective way possible. In view of the budget shortfall we face, we know some level of personnel reduction will be necessary. To protect our current employees to the greatest extent possible, I have issued a University-wide hiring freeze for non-faculty positions effective immediately.

The University has traditionally budgeted incrementally with a one- to two-year outlook. Regrettably, this has resulted in short-term decisions which balanced the budget but have negatively impacted our performance outcomes and competitiveness. Additionally, an incremental budget approach does not lend itself to introspection on why we do the things we do. It largely assumes the status quo will continue with slight additions or subtractions. This approach is no longer feasible nor prudent.

I have directed the following reviews:

a. **Zero-Based Budget**

All units except the academic colleges will participate in a zero-based budget exercise. Every proposed expenditure for FY2024-25 will be analyzed, and units will justify the need and impact of each line item. The SVP/CFO will prepare a standardized spreadsheet or form for units to submit their justification.

b. **Review of Service Centers and Units with Unrelated Business Income (UBI)**

Service centers and units with UBI should generate positive return for the University. The SVP/CFO will provide a five-year financial review of these units. If any unit is not projected to breakeven or generate a positive return, a feasibility analysis related to the unit's potential to breakeven (or barriers therein) will be provided.

c. **Distributed or Decentralized Operating Functions**

Certain units elected not to participate in the BRT effort. As such, certain functions remain decentralized or distributed. The SVP/CFO will prepare a report on all functions

performed by another unit which are also provided by a University-wide or Campus-wide office. In cases where decentralized or distributed services exist, units will provide written explanation regarding (1) why the localized function is needed and (2) real or perceived deficiencies in University-wide or Campus-wide services.

d. Enterprise Systems

It is imperative that we seek continued opportunities to leverage scale and automation to complete our non-academic work. As margins continue to tighten, our ability to make data-informed decisions will be paramount. The leaders of our enterprise systems (SAP, NeSIS, and the University-wide Data Warehouse) will prepare a report on systems currently in use which duplicate the capabilities of our enterprise systems. In instances where units are using an alternative system, they will provide written explanation regarding (1) why they have historically used an alternative system and (2) what real or perceived deficiencies they have observed in the University's enterprise systems. The report will also identify opportunities to greater leverage our enterprise platforms and automate manual functions.

e. Center for Operational Excellence

I have asked that our team review the State of Nebraska's "Center of Operational Excellence" model, which serves as the training center and project management office for continuous process improvement across all state agencies. Our team will recommend opportunities to apply this approach to University operations.

In all cases, the reviews and initiatives detailed in I through V will be completed no later than December 31, 2023. In many cases, I have directed these activities be completed by August 30, 2023. Time is of the essence. We do not have the luxury of spending an extended period studying ourselves. We must efficiently move to implementation as our final strategies need to be operationalized no later than the end of the upcoming biennium (June 30, 2025).

cc: Chancellors
Vice Presidents
Faculty Senate Presidents