Report of Budget Transparency
Sub-Committee on Performance

Janaury-April 2019
Committee Membership

• Dr. Amr Elnashai (convener)
• Dean Alan Dettlaff
• Dean Dan Wells
• Dr. Jim Briggs
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What are the strategic goals of the University?

Strategic goals lay out the path to accomplish the mission of the institution. They are developed in the broadest sense to guide priorities, set specific objectives that can be used to develop implementation plans that includes measuring achievements.

Committee Response

- Goals to guide budget priorities: build and retain a diverse, world-class faculty, become a major global institution, and prepare graduates who will change the world
- Need for overall UH strategy that is more specific than the existing form, and a strategy implementation plan

Further Considerations

- Strategy for education, research, innovation and community engagement
- Supported by advancement, communication and government relations
- Accomplished through implementation plan with project managers, metrics, timelines, milestones and resources assessment
How do we ensure sufficient, central resources to meet strategic priorities?

How do we (the colleges and faculty in the UH System) ensure sufficient resources at the centralized level ... This suggests that we need to think about how the activities that we, the faculty, do contribute to the resource pool used by central for its goals.

Committee Response
- Current budget model relies on self-generated sources for students.
- General support for budget model that has revenue performance and growth at its core; one that sets a judicious and transparent tax rate for rewarding performance and contributing to centralized pool instead of sole reliance on state formula funding, and tuition and fees
What is the desired ratio of undergrads to graduate students?

The University should have a ratio that:

- Enhances the learning environment of the institution
- Creates a critical mass to sustain successful programs
- Enhances the reputation of the institution
- Facilitates the retention and recruitment of the best faculty
- Satisfies the state legislature and its goals articulated through initiatives like 60x30TX
- Propels us over the AAU threshold
- Supports our national competitiveness goal

Committee Response

- Current 18:82 Ratio is quite different from peer and AAU institutions
- Ratio needs to change in favor of graduate students – perhaps 25:75 or thereabouts (no precise recommendation was made by the committee)
- Graduate enrollment needs to keep abreast, or exceed, with undergraduate expansion
- Research enterprise and professional training significant for national standing
- Critical to recruit high-quality faculty
Should annual college targets be used for calculating outcomes funding?

Should report card-linked college success measures provide the basis for the distribution of annual performance funds (as and when available)?

Committee Response

• Recommendation that the Provost retains practice of performance awards as linked to college success measures, but with recommended changes:
• Use three-year rolling averages of report card measures (i.e., expenditures)
• Determine college-specific targets based on external benchmarks
• View colleges as contributing to the university portfolio
• Increase base funding to support growth targets
• Align similar measures across colleges
Should colleges be rewarded for achieving outcome or enrollment targets?

Should the university continue to incentivize colleges based on predetermined annual performance measures and, in particular, those based on enrollment growth?

Committee Response

• Practice of rewarding colleges based on target outcomes met should be retained
• Universal rewarding of enrollment growth should be considered on a college-by-college basis
• Depends on capacity to expand without negative 5-year-projected impact on education quality and student recruitment and retention
Should colleges be penalized for missing outcome or enrollment targets?

The University should have a policy on missing outcome/enrollment targets that:
- Holds the colleges accountable
- Allows the colleges to pivot and be responsive to dynamic situations
- Facilitate their success

Committee Response
- Current penalties for missing targets includes disqualification in one-time funding for special initiatives
- This should remain, but be applied proportionally based on extent of missed target, allowing available funding to reformulate approach
- Missed targets should be assessed in context of a three-year window
- Penalty should only take effect after missing a target a second time
- Critical to determine why targets not met
Should 50-in-5 targets be included in the calculation of outcomes funding?

The question asks us to weigh the relative significance and place of the 50-in-5 initiative to funding priorities. While this is a subset of question 4 with regards to the set of targets each college arrives at for their outcome measures, the institution-wide focus of the program could elevate near-term funding for research and scholarship.

Committee Response

- 50-in-5 benchmarks and targets over five-year period are already fixed
- Acceleration of effort could shape funding priorities during the program
- Intense focus on initiative may eventually change
- Targets should be included in assessment of college performance and allocations
Conclusion
Subcommittee members are supportive of the implicitly-proposed budget model, with reservations.