Secretary of State Audit Report

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Oregon University System: Improve Management of Faculty Workload

Summary

The seven campuses of the Oregon University System (OUS) contribute in a variety of ways to the state's well-being. Most importantly, they help create an educated workforce that can attract businesses and grow Oregon's economy.

Total OUS expenditures in fiscal year (FY) 2010 were $2.03 billion, funded mainly by tuition, State General and Lottery funds, and federal grants and contracts. Student full-time equivalent enrollment was approximately 70,000 from FY03 through FY08, but grew to approximately 81,000 in FY10. About 6,600 full or part-time faculty members and graduate assistants instruct these students, with about 20,000 degrees or certificates awarded in FY10.

The objective of our audit was to learn whether instructional faculty could be better utilized. We interviewed administrators and faculty members within OUS, analyzed available data, reviewed relevant documents, and researched professional literature and best practices in other universities.

We found OUS and its universities undertook efforts that could improve efficiency. However, none of the universities have comprehensively addressed instructional faculty workload and student demand for courses.

Monitor Faculty Workload

OUS has developed a strategic plan with an extensive set of performance measures that it uses to improve education outcomes. However, we found no measures to track efficiency of efforts, linking instructional outcomes to the cost of achieving them at the university, department or faculty level. More detailed performance measures can help identify areas where efficiencies could help OUS reduce costs and better serve growing student enrollments.

In FY10, universities spent approximately $777 million on salaries and benefits for all university employees working in the areas of instruction, research, and public service. According to OUS provided reports, about $546 million of that amount was paid for faculty, adjunct faculty and graduate assistant salaries and benefits. Some of the faculty whose salaries

and benefits are included in the $546 million perform externally funded research and service. About $373 of the $546 million was paid in salaries and benefits for faculty, adjunct faculty and graduate assistants whose work focused on instruction and university-funded research activities. These faculty and graduate assistants were expected to perform varying degrees of teaching, departmental research and service activities. We requested the associated OUS faculty workload data but found it lacked information such as faculty time spent on those activities or the types and amounts of research and service activities performed. Collecting and analyzing faculty workload information would assist the Chancellor's Office and university administrators in making budget and policy decisions regarding faculty resources. Some states monitor and report on some or all aspects of faculty workload to improve efficiency. For example, Utah's public university system gathers data such as contact hours in teaching assignments and workload in non-teaching activities. We did note that the Southern Oregon University Business School has developed an Excel spreadsheet to track the workload activities of its faculty.

Set Workload Expectations

Although the Board of Higher Education and OUS promote the objectives of instruction, research, and service, they have not set relative priorities among them. For various reasons, faculty workload expectations spent on these activities vary considerably among universities, departments and faculty members. For example, the universities with collective bargaining agreements, which generally place a greater emphasis on instruction, have workload requirements of 8 to 12 classes per year. Campuses without such agreements, such as OSU and UO, place more emphasis on research, and usually require faculty teach 2 to 6 classes per year.

Research and service activities, which draw faculty away from teaching, comprise as much as 70% of a tenured or tenure-track faculty members' time at research universities. In academic year 2009-2010, 255 faculty members at the University of Oregon received 610 externally funded research grants and contracts. While some faculty research and service activities can have a positive impact on instruction, there is no system in place to track and monitor non-externally funded research. Similarly, faculty can be "released" from some of their teaching requirements in order to fulfill service activities, but this time and the activities are not tracked in the aggregate. Service encompasses a wide range of activities such as services to the public and serving on university committees, faculty senates, external committees, and professional boards.

Help Departments Manage Workload

Without clear and specific expectations, efficient use of faculty resources is less likely to be achieved, especially when universities rely upon a collegial approach to decisions. Department heads at most OUS universities work in collaboration with faculty members to decide how work will be distributed. Faculty members have considerable autonomy in the types of research projects and service activities they undertake and the amount of time they spend on them. Further, some university departments have department heads who serve on a rotating basis to manage the workload, and may be

responsible for managing the activities of colleagues who previously managed them, or may do so in the future.

We reviewed faculty personnel evaluations and found faculty members were generally assessed based on their achievements, such as the number and impact of articles published, and in some cases whether they met their position description requirements. However, the evaluations did not capture information that can be used to analyze the amount of time it took to fulfill teaching, research and service requirements in order to prioritize workload.

Some administrators assist department heads in managing their various responsibilities. For example, PSU recently created the Council of Academic Chairs to train department heads to effectively lead their faculty.

Manage Course Offerings

More actively managing course offerings can help improve the use of faculty resources. Universities have taken efforts to identify and analyze low demand course offerings. For example, OSU recently eliminated 20 programs with low enrollment classes. However, we did not see evidence of a consistent and coordinated effort to analyze the number of students who cannot get into classes due to maximum class size limits. While some departments create waitlists, neither the university nor department waitlists were used systematically to determine total student demand. Without this information, faculty resource allocation efficiencies may be missed.

Recommendations

We recommend OUS ensure its universities set clear and specific workload expectations, routinely gather and analyze information on all areas of faculty workload, and develop criteria for prioritizing faculty activities. In addition, universities should more closely track and analyze student demand for courses and continue monitoring low class enrollment. These actions can help contain costs for the efficient delivery of services.

Agency Response

The agency response is attached at the end of the report.

Background

A well-educated workforce is a key element for Oregon's future. Well-educated Oregonians can better perform in skilled, higher paying occupations, help attract businesses wishing to relocate or expand operations, and increase income-earning ability, all of which will help to grow Oregon's economy. The Oregon University System (OUS) sets its highest priority on instruction within its broader mission of also providing research and service activities.

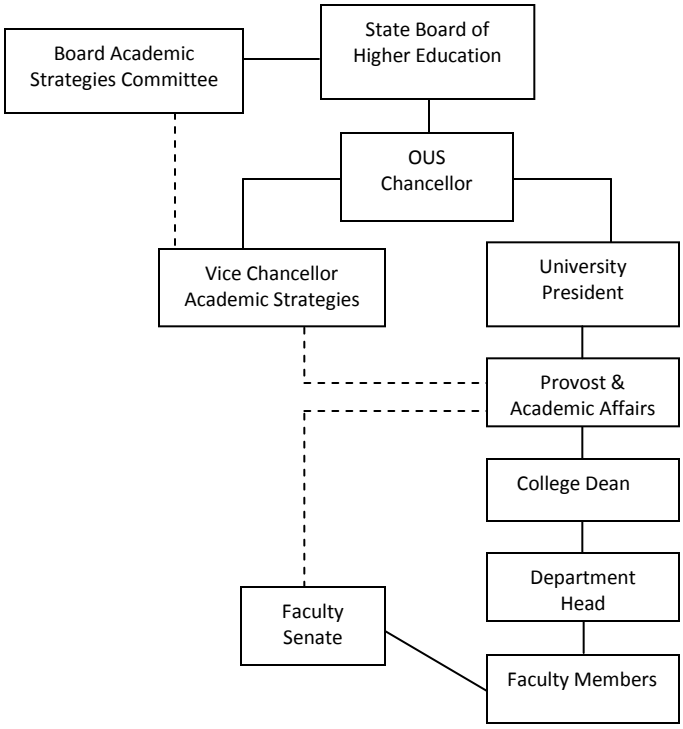
University officials describe instruction as the learning environment created by faculty that culminates in students earning degrees and certificates. Research involves efforts to create new knowledge, which can also produce benefits for instruction. Services activities involve faculty efforts to share expertise within the university system and with the public.

OUS is charged with administering seven institutions: Eastern Oregon University (EOU), Oregon Institute of Technology (OIT), Oregon State University (OSU), Portland State University (PSU), Southern Oregon University (SOU), University of Oregon (UO) and Western Oregon University (WOU). Community colleges are administered by the Department of Community Colleges and Workforce Development.

The State Board of Higher Education (Board) oversees OUS, charging the Chancellor with carrying out all legislative duties, Board policies, and oversight of the institutions on behalf of the state and public. The Chancellor is responsible for developing and implementing policies regarding institutional missions, academic programs, class size, program demand, enrollment, and admission requirements; diversity; tuition; transfer policies; accounting, budgets, and other fiscal policies.

Although universities differ in size and their missions vary, the faculty members at each university generally operate in the same organizational structure relative to the Board (see Figure 1).

Figure 1: OUS Academic Strategies Organizational Framework



Source: Oregon University System Management

University Resources

The major sources of funding for Oregon's universities are tuition, federal grants and contracts, State General and Lottery funds, and enterprise income to provide housing, food, and other services. In general, OUS revenues increased faster than inflation over the past six years, mostly due to tuition increases and a greater number of enrolled students. Federal sources remained relatively stable from FY 2007 to FY 2009, but increased significantly in FY 2010 due primarily to short-term funding. State sources rose through FY08, and then declined.

Figure 2: OUS Revenues from Fiscal Year 2005 to Fiscal Year 2010 (in $Millions, CPI Adjusted)

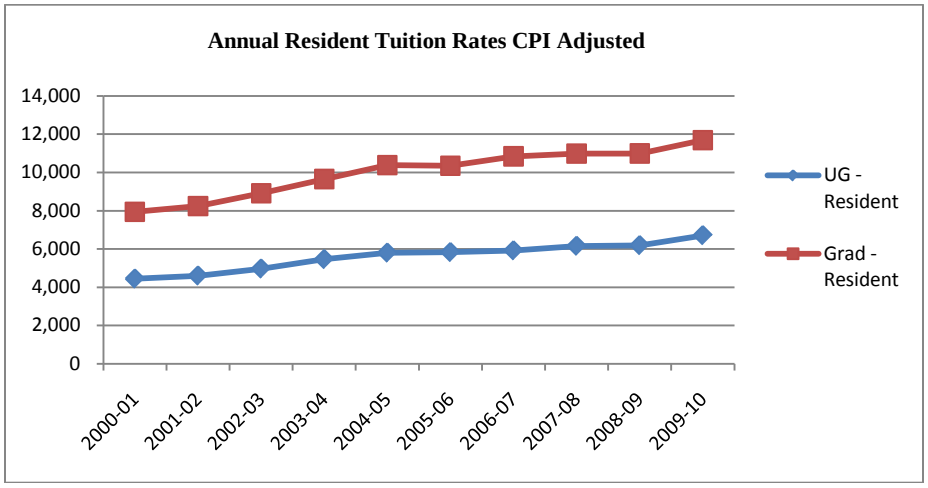
	FY05	FY06	FY07	FY08	FY09	FY10
State General & Lottery Funds	$402	$412	$424	$472	$408	$398
Student Tuition & Fees	$550	$554	$508	$522	$549	$638
Federal Grants & Contracts	$347	$357	$332	$340	$358	$422
Housing, Food & Other Services	$187	$195	$275	$285	$293	$322
Other Revenues	$289	$331	$363	$373	$415	$476
Total	**$1,775**	**$1,849**	**$1,902**	**$1,992**	**$2,023**	**$2,256**

Source: Oregon University System Audited Annual Financial Statements

The cost of a university education may affect a student's ability to enroll and graduate. Affordability can be measured in various ways. Based on the percent of family income spent on undergraduate education, Oregon's four year public universities ranked the sixth most expensive of the 50 U.S. state public university systems in 2008. OUS is proposing a "performance compact" with the Legislature that includes a measure comparing its instruction costs with the national average. The measure indicates Oregon universities spend about 75% of what other universities do on education and education related expenditures.

Oregon's average tuition costs for undergraduate students increased 51% since 2000-01, when adjusting for inflation. Graduate school tuition also increased, just over 47% during the same period, adjusting for inflation. Non-resident tuition is also substantially higher.

Figure 3: OUS Average Tuition Costs for Undergraduate and Graduate Residents

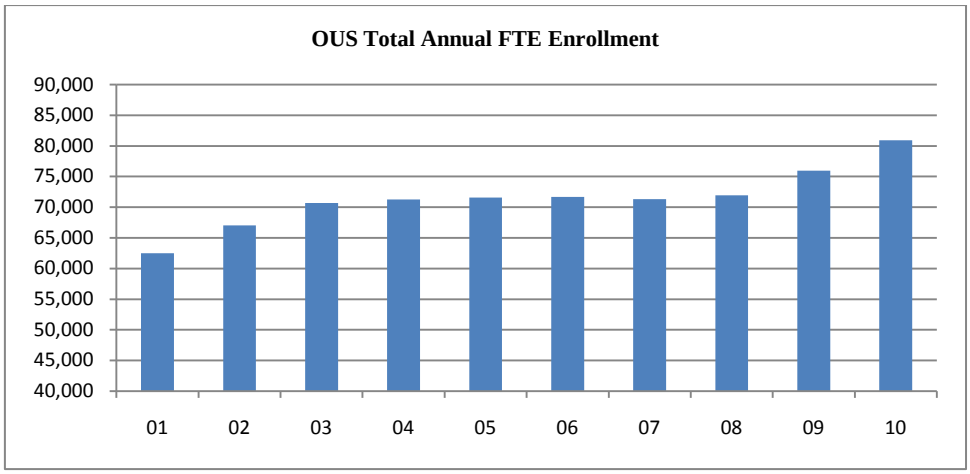


Source: Oregon University System Budget Operations Division, Academic Year Fee Book

Enrollment and Graduation

Oregon's universities experienced large increases in the number of full-time equivalent (FTE) students since 2000-01, increasing from approximately 63,000 to 81,000, with a sharp increase in the past two years. As of late February 2011, university applications were up 12% over the previous year. Figure 4 shows full-time equivalent student enrollment over the past ten years.

Figure 4: OUS Student Enrollment, Full-Time Equivalent



Source: Oregon University System Fact Book publications

Each OUS campus offers a mix of introductory and advanced courses. Preparatory courses provide students with basic or remedial instruction, and do not count toward degree requirements. Lower division courses consist of introductory and foundation courses, and may have higher enrollment. Upper division courses provide more specialized and advanced instruction with more individual contact with instructors. Graduate courses are generally highly specialized and usually have fewer students per class. Some courses may involve the use of laboratories or other specialized facilities.

In the 2009-10 academic year, the four smaller universities (EOU, OIT, SOU and WOU) awarded about 3,900 degrees and certificates while the three larger universities (OSU, PSU and UO) awarded about 16,000, as shown in Figure 5.

Figure 5: Degrees Awarded, 2009-10 Academic Year

Degrees and Certificates	EOU	OIT	SOU	WOU	OSU	PSU	UO
Associate's		79					
Bachelor's	572	495	720	808	3,453	3,532	3,735
Master's	113	2	280	197	727	1,625	955
Doctoral					179	50	161
Professional					131		185
Certificates	124	16	219	241	244	626	459
Total	**809**	**592**	**1,219**	**1,246**	**4,734**	**5,833**	**5,495**

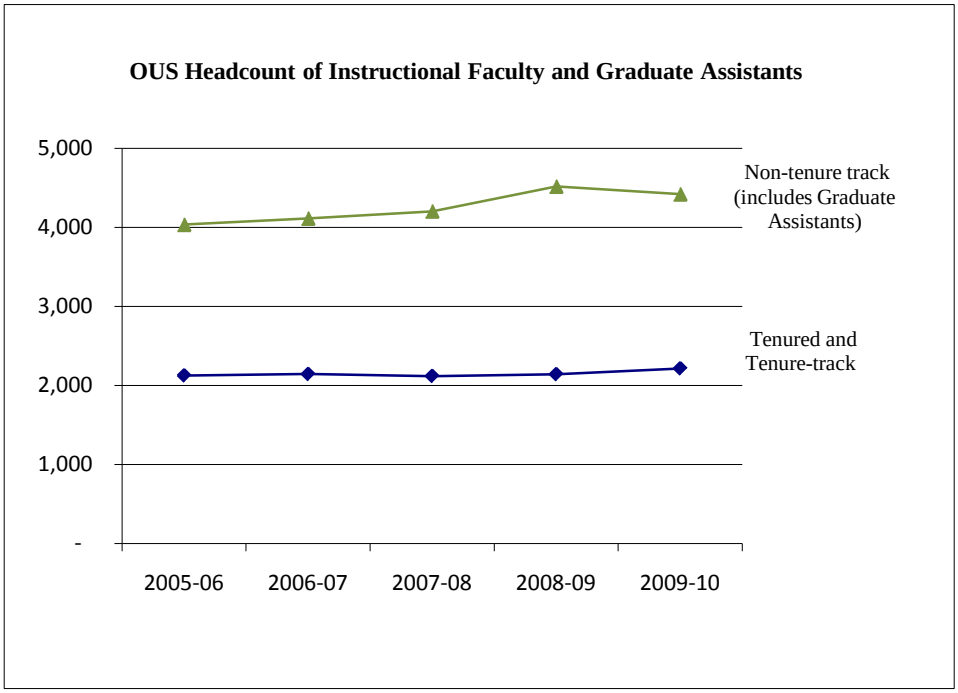
Source: Oregon University System 2010 Fact Book

University Faculty

In FY10, universities spent approximately $777 million on salaries and benefits for all university employees working in the areas of instruction, research, and public service. According to OUS provided reports, about $546 million of that amount was paid for faculty, adjunct faculty and graduate assistant salaries and benefits. Some of the faculty whose salaries and benefits are included in the $546 million perform externally funded research and service. About $373 of the $546 million was paid in salaries and benefits for faculty, adjunct faculty and graduate assistants whose work focused on instruction and university-funded research activities. These faculty and graduate assistants were expected to perform varying degrees of teaching, departmental research and service activities.

The number of instructional faculty and graduate assistants has remained fairly consistent over the past five years, as indicated in Figure 6.

Figure 6: Five-Year Headcount Trend of Instructional Faculty and Graduate Assistants



Source: Oregon University System Institutional Research Services faculty reports
Faculty counts are based on end-of-October payroll information
Instructional faculty are defined as faculty whose primary assignment is instruction or some of their FTE is budgeted to an instructional department.

Faculty is broadly classified as tenured, tenure-track, and non-tenure-track.

Tenured positions are generally senior full-time academic positions with a formal, presumed appointment until retirement. Tenure-track faculty work on a provisional basis, generally for six years before a decision is made

about tenure. Non-tenure-track faculty members are not eligible for tenure, with many working part-time.

Tenured faculty members are typically full-time, and are mainly professors and associate professors. There were 1,637 tenured faculty members whose FTE accounted for approximately 39% of instructional positions in academic year 2009-10. Tenure-track faculty members, typically assistant professors, work full-time and teach, conduct research and perform service. The instructional workload of tenure-track faculty may be reduced so they can perform the research and other activities that are used as a basis for deciding on their tenure. There were 581 tenure track faculty whose FTE comprised nearly 14% of instructional positions in 2009-10.

Non-tenure track faculty members, who typically fill instructor or lecturer positions, numbered over 2,000 in 2009-10. Graduate assistants, who also provide instruction and receive some compensation, totaled almost 2,350 in 2009-10. Together, non-tenure track faculty and graduate assistants comprised the largest share of instructional position FTE at just over 47% during 2009-10.

In reviewing workload more closely, we narrowed our audit to examine the two largest OUS research universities, UO and OSU, and two of the smaller universities, WOU and EOU, which have a greater emphasis on teaching, sometimes called "comprehensive universities".

Figure 7: 2009-10 Academic Year Instructional Faculty and Graduate Assistants

	EOU		WOU		OSU		UO	
	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
Tenured	58	57.7	125	121.0	398	390.0	462	446.0
Tenure track	18	17.5	31	29.6	166	165.7	159	157.3
Non-tenure-track	30	24.5	195	80.8	382	285.0	451	286.6
Graduate Assistants	0	0	10	1.6	754	280.0	1,060	430.5
Total	106	99.7	361	233.0	1,700	1,120.7	2,132	1,320.4

Source: Oregon University System Institutional Research Services Faculty Reports

Audit Results

OUS and its universities have undertaken noteworthy efforts to improve efficiency; however, none of the universities have comprehensively addressed instructional costs and student demand for courses. OUS has developed a long-term strategic plan with related performance measures, but efficiency measures are lacking. Only limited faculty workload data is collected or monitored, and we found a lack of clarity or consistency for expected faculty workload allocations. While the department structure in most universities can make it harder to manage workload, better data for analysis and decision making could help improve efficiencies and student access.

Introduction

Government organizations can increase public confidence by showing how they are achieving their objectives. This accountability encompasses questions about whether they manage their resources properly and whether they provide their services efficiently, equitably and ethically. Accountability requires answers to these questions and results in reliable and useful information about programs and operations. These public accountability questions align with principles of good management. Successful organizations have applied a common set of principles to help achieve their outcomes. The principles can be combined in various ways but the four general elements are:

Planning	Articulating the organization's vision and mission, establishing measureable organization-wide objectives or priorities, and identifying strategies for achieving the objectives.
Budgeting	Using the objectives and strategies from the planning process as the basis for developing a spending plan that is most likely to achieve the organization's desired results.
Managing	Organizing personnel and developing work processes to focus on desired results.
Evaluation	Following up to understand the results of programs and expenditures in comparison to desired results and using the information to refine plans, budgets and operations.

Public organizations that apply these principles also generate information that can answer accountability questions about accomplishments and the resources and efforts involved to achieve them. University administrators told us they subscribe to this approach and indicated it parallels the university accreditation requirements.

OUS Planning and Objectives

The mission of OUS established in ORS 351.009, is to:

1. Enable students to extend prior educational experiences in order to reach their full potential as participating and contributing citizens by helping them develop scientific, professional and technological expertise, together with heightened intellectual, cultural and humane sensitivities and a sense of purpose.
2. Create, collect, evaluate, store and pass on the body of knowledge necessary to educate future generations.
3. Provide appropriate instructional, research and public service programs to enrich the cultural life of Oregon and to support and maintain a healthy state economy.

In 2006 OUS adopted a 20-year strategic plan aligned with its mission that establishes four major goals and their related measures. The goals are:

- Promote access to post-secondary education for all Oregonians and contribute to an educated citizenry for Oregon
- Ensure a high quality of student learning to support graduate success
- Engage in the creation of original knowledge and advance innovation
- Provide economic, civic and cultural benefits to Oregon and its communities

Monitoring and Reporting Efforts Could Be Improved

The Chancellor's office has developed and tracks over 15 performance measures for the seven universities related to the above goals, which it reports to the Board, campuses and the public. These measures are used to analyze the performance of the universities, and for comparison to national data. They address key objectives in five categories:

- Access and Participation
- Student Progress and Completion
- Academic Quality and Student Success
- Educated Citizenry and Workforce Development
- Knowledge Creation and Resources

However, there are no measures of efficiency that relate university instructional outcomes to the costs of achieving them.

OUS uses the ratio of students to faculty as one of its Academic Quality & Student Success performance measures. Over the past eight years, the ratio has ranged from a high of 27.9 students per full-time faculty in 2003 to a low of 25.1 in 2007, with the most recent ratio in 2009 showing 26.9. The ratio is used to reflect the extent faculty members are able to provide student advising, mentoring, thesis guidance or work on extracurricular student projects. While this may be a commonly used comparative measure for universities, the ratio includes all full-time instructional faculty members and does not reflect actual available student contact hours.

OUS collects and utilizes general faculty workload information such as instructional faculty FTE per student FTE and enrollment projections to prepare annual predictions of teaching load needs. However, according to OUS Institutional Research Service staff, it is not possible to conclude from their current information systems how much time faculty members spend teaching, conducting university-funded research and performing service, or the types and amounts of non-teaching activities performed. We learned in some departments, such as Chemistry, teaching and research often overlap, which makes it difficult to identify and track how time is spent in each area.

Collecting and analyzing faculty workload information would assist the Board, Chancellor's Office and senior university administrators in making budget and policy decisions regarding faculty resources. Further, gathering information on how faculty members divide their time among teaching, research and service activities would increase the opportunity for internal and external accountability. Without complete faculty workload information, decision-makers cannot prioritize faculty time to ensure a focus on increasing the quality of academic programs, student outcomes and services.

All OUS universities rely on their Banner software system for recording and managing information on students, financial aid, human resources and finances. However, each university has implemented Banner over time and information categories may vary among universities. As a result, compiling aggregate and comparable information is difficult. We were told Banner also has the capability to track and report faculty workload. As this may take extensive integration efforts to establish, one department took an alternate approach. SOU's School of Business maintains an electronic spreadsheet to track faculty workload. It includes teaching, service activities and professional involvement for the current and past five years. We were told this information is used to plan and monitor the School's faculty workload activities.

We learned other states have policies and systems to monitor and report on some or all aspects of faculty workload. In addition, some states have faculty teaching requirements. For example, Nevada's public university system has a policy requiring the Chancellor's Office to report on faculty workload every other year. The report includes activities other than teaching for each regular faculty member and is aggregated for each institution. Utah's public university system has annual faculty workload reports that gather data such as contact hours in teaching assignments, proportion of credit hours taught by full-time and part-time faculty, and workload in non-teaching activities, including time spent and proportion of total time. In addition, several public universities have faculty workload policies that specify workload hours and formulas for calculating workload credits.

Faculty Workload Allocations Vary Considerably

Setting clear and specific expectations that help department heads and faculty allocate their time and attention is another means of improving efficiency. Although the Board and OUS state instruction, research, and service are the key objectives for the universities, they do not set workload expectations for how faculty should allocate their time. Faculty workload expectations for how much time should be spent on teaching, research and service vary considerably among universities, departments and faculty members. While it requires more effort to set specific expectations when the mix of work activities varies, setting expectations can be even more important to ensure the most efficient use of resources.

Faculty members are unionized and operate under a Collective Bargaining Agreement (CBA) at four of the seven OUS universities (PSU, EOU, SOU and WOU). UO, OSU and OIT faculty members are not unionized. The CBAs specify the number of teaching load credit hours for each type of faculty member per academic year, as shown in Figure 8.

Figure 8: Teaching Load in OUS Collective Bargaining Agreements

University	Tenured Faculty	Tenure-Track Faculty	Non-Tenured Faculty
EOU	**36** credit hours per academic year	**36** credit hours per academic year	**36 or 45** credit hours per academic year
SOU*	**36** credit hours per academic year	**36** credit hours per academic year	**44-45** credit hours per academic year
WOU	**36** course credit hours per academic year (normally 12 course credit hours per quarter)	**36** course credit hours per academic year (normally 12 course credit hours per quarter)	**45** course credit hours per academic year (1.00 FTE equals 15 course credit hours per quarter)
PSU	Not specified in CBA	Not specified in CBA	**36** course credits per academic year

[1]*SOU uses the term equivalent load units (ELU) per academic year, similar to credit hour*

It is typical for public and private universities to set a general standard for how faculty should divide their time (stated in percentages) among teaching, research and service. The national workload expectation for tenured faculty is 40% teaching, 40% research, and 20% service. OSU requires faculty to devote a minimum of 15% of their time to scholarship (e.g. research). OSU officials told us each department is allowed to adjust the percentages of time faculty spend in each of the three areas based on department needs and faculty expertise.

For various reasons, workload expectations differ among the types of universities. For example, larger research universities such as OSU and UO place a higher emphasis on research than the smaller teaching universities,

such as WOU and EOU. Expectations vary depending on faculty rank and tenure status. During the six years faculty members are in the tenure-track process, a substantial portion of their time (e.g. 40% at one WOU department), is generally spent on research and service. Non-tenure-track faculty members, with some exceptions, are generally not required to perform research and/or service at any of the universities unless it has been built into their job description. For example, there is a 5% service requirement in the OSU Chemistry Department for non-tenured instructors; however they are not expected to conduct research.

We learned from interviews tenured and tenure-track faculty at WOU and EOU generally teach 8 to 12 courses per year, while at UO and OSU they usually teach 2 to 6 courses per year. To understand the typical faculty workload, we interviewed department heads at the four universities in two departments, English and Chemistry. All viewed the division of faculty time differently. The department head at one research university said faculty members spend 80% of their time teaching two classes for two terms and one class in the other term. Research is performed during periods when they only teach one class or during the summer, and service activities comprise the remainder of their time. The department head for the same department at the other research university stated faculty spend 50% of their time on teaching two classes a term, 40% on research and 10% on service activities. In contrast, the department head at a smaller university said faculty must meet the requirements in their CBA and can spend the rest of their time doing whatever they decide, although this work is reviewed in the evaluation process. The other smaller university department head was not aware of any policy dividing faculty time among teaching, research and service.

Non-Teaching Faculty Workload

All universities, to varying extents, have faculty participating in research and service activities as well as teaching. Although research and service activities are elements of the OUS mission, and may improve instruction results, they also draw faculty resources away from teaching. Research and service in some departments can account for as much as 70% of tenured or tenure-track faculty time.

Service encompasses a wide range of non-instructional activities. For example, faculty members serve on department committees, university-wide committees, external committees, professional boards and faculty senates. They also perform outreach services to communities. Some faculty members can be "released" from some of their teaching requirements to perform service. These activities play an integral role in the universities' operations.

Universities state they operate under a "shared governance" model. In shared governance, faculty, administrators and trustees share the responsibility for operating a university. To illustrate, UO has approximately 40 university-wide committees, advisory groups and boards

generally consisting of a mixture of faculty, students and administrators. Some of the committee titles include Academic Requirements, Campus Planning, Faculty Advisory Council, and Student Health Advisory Committee.

Faculty members also participate in both university-funded and externally funded research. Universities routinely absorb the costs of research and service that is not externally funded. We tried to determine how OUS and its universities analyze and use information about the time spent on them and the types and amounts of faculty departmental research and service activities. We found some information is collected for each faculty member or for individual departments. We also learned that generally only external research funds are tracked electronically and some information is aggregated at the university level. In academic year 2009-2010, 255 faculty members at UO received 610 externally funded research grants and contracts. Thus, less than half of the 620 tenure and tenure track faculty members received full or partial external funding for their research efforts that year.

Help Department Heads Manage Faculty Workload

We examined a sample of faculty evaluations to determine the extent department heads document and monitor faculty workload. Evaluations varied in frequency, extent and rigor depending on the evaluator, department, college and university.

Faculty evaluations related to workload vary. Some department heads and administrators use evaluations to manage faculty more closely than others. In general, evaluations assess faculty based upon their achievements and, in some cases, whether or not they met their position description requirements. For example, the evaluation form UO's Chemistry Department uses contains the number and type of classes taught, research grants received, articles published, and a listing of service committee memberships. However, none of the evaluations in the faculty member's files we reviewed from various departments captured data that can be used to analyze the amount of time it took to fulfill teaching, research and service requirements. While some OSU faculty files contain information about the percentage of time faculty members spend on teaching, research and service along with a description of those activities, this information was not consistently documented in the files reviewed. We also found little evidence senior administrators are receiving this information about any of the university departments. Further, we noted universities are not strictly adhering to their evaluation policies, with few evaluations conducted on non-tenure-track faculty at some universities.

Department heads are generally responsible for determining and scheduling which courses will be taught by whom. However, at most universities they work in collaboration with faculty members to decide how workload will be distributed within a department, including assigning classes to be taught and committee positions to be filled. Department heads

are also responsible for mentoring tenure-track faculty, conducting periodic faculty evaluations and overseeing department committees.

Without clear and specific expectations and when universities rely on a collegial approach to decisions, efficient use of faculty resources is less likely to be achieved. Several factors may make it challenging for department heads to effectively manage overall department responsibilities.

First, faculty members are given a great deal of autonomy especially with regards to research and service activities. According to interviews with department heads, faculty members are generally allowed to conduct research on topics of their choice. Department heads and administration rarely play a role in determining whether or not faculty members should pursue a research project unless it is specified in their position description when they were hired. This autonomy is generally allowed because faculty members want to pursue research projects that make an impact on their area of expertise and hold them in high regard by their colleagues. One administrator told us they rely on this form of "peer pressure" to manage faculty research efforts. Similarly, we were told the amount and type of service activities to pursue is generally left to the discretion of the faculty member.

Department heads may also find it challenging to manage colleagues. Although some departments within the universities have permanently appointed department heads, others rotate among tenured faculty members. In these cases, department heads may be responsible for managing the activities of colleagues who may have previously managed them, or may do so in the future.

Some university administrators are making an effort to assist department heads in performing their various responsibilities. For example, PSU administrators recently created an internal body called the Council of Academic Chairs. The purpose of this council is to train department heads to be able to effectively lead their group. More specifically, the council focuses on the following four areas: daily management (such as budget management and addressing student and faculty issues); university initiatives; identifying national trends and impact to faculty; and addressing how chairs can be effective leaders.

Managing Course Offerings to Improve Efficiency

The universities have undertaken efforts to identify low-demand course offerings to ensure the best use of faculty resources, but more tracking of high-demand courses may help improve student access to classes. Course offering decisions are most often made at the department and/or college level. Departments take many factors into consideration when developing course offerings. These include student interest, major requirements, and faculty expertise and interest. Factors that can complicate the scheduling of course offerings include instructor and classroom availability.

The Board of Higher Education requires universities have "a compelling educational or financial reason" to have less than 10 students in an on-campus undergraduate course. This requirement recognizes certain classes may need to have low enrollments such as seminars, thesis study, individual research, and music performance. Some university administrators and faculty shared with us their efforts to address low enrollment class sizes where appropriate. For example, some universities generate and review periodic reports of class enrollments to identify and address low enrollment classes. The Provost of OSU told us 20 low enrollment degree programs were eliminated at his campus. Further, an OSU department chair told us his department had minimum class size requirements (a low of 6 students for graduate level classes to 25 students for lower division classes) due to budget shortages. If a class does not meet these requirements it is canceled and the professor is assigned to teach a class with higher student demand. The department chair, mentioned this happened to two professors for Fall 2010. Our analysis of course enrollments did not identify a significant number of low enrollment courses. Nevertheless, continued university review of course enrollment considering these factors can help ensure the best use of university resources.

The number of students able to enroll in a course is affected by room availability and by the type of course. Some courses require special facilities, such as chemistry laboratories, that only have a certain number of stations available. Departments may also limit the number of students given the type of course. For example writing courses are often restricted to a maximum of about 25 students. Despite these factors, maximizing class size, when possible, can help increase efficiency by better utilizing faculty, classrooms, and other university resources.

The four universities we focused on during our review have made efforts to address student demand and access to courses. For example, WOU and OSU mentioned generating reports to help predict future demand, including incoming and prerequisite enrollments. An OSU official also told us his campus is working towards better defining total course demand. The official mentioned a student access issue in freshmen communication courses was identified and funds were allocated to add 1,500 new seats. Additionally some individual departments have created course waitlists and two of the four universities have started automated waitlists. OSU developed its automated waitlist in 2007 and UO piloted an automated waitlist in Fall 2010 for the spring term. Both OSU and UO waitlists are on a voluntary basis. Although these efforts provide valuable information, we did not see a consistent and coordinated effort to collect and analyze demand data for individual courses. Without this information, faculty resource allocation efficiencies may be missed.

Recommendations

In order for universities to achieve their mission and objectives with the minimum necessary cost and to better meet the needs of an increasing student population, the Oregon University System Chancellor should:

- Ensure universities regularly review faculty workload and take action where efficiencies can be achieved without adverse impacts on instruction.
- Incorporate efficiency measures into its strategic plan.
- Develop OUS guidance on instructional and other workload expectations.
- Ensure universities set clear and specific instructional expectations for each department.
- Routinely gather and analyze information on all areas of faculty workload activities in all universities and departments. Develop periodic reports at all levels of university administration on instructional practices and workload, identifying areas where possible efficiencies can be achieved.
- Incorporate these workload expectations into university performance evaluations.
- Ensure universities provide any needed guidance and assistance to department heads so they can apply and follow through on workload expectations.
- Adjust course offerings within and among the universities by consistently tracking unmet instructional needs, and continue monitoring low enrollment to identify under-enrolled or unnecessary courses that could be eliminated.

Objectives, Scope and Methodology

The purpose of our audit was to learn how OUS is managing its instructional capacity and identify opportunities that exist for it to better utilize its instructional faculty. We focused on how OUS and its universities manage faculty workload and enrollment in course offerings.

To accomplish our objective, we reviewed numerous documents related to universities' activities such as their strategic plan, performance measures, Fact Book, Viewbook and annual financial reports. We also reviewed applicable laws and regulations, Oregon State Board of Higher Education policies and procedures, and accreditation standards.

We reviewed national education statistics data from the National Center for Education Statistics' Integrated Postsecondary Education Data System, as well as other states' and universities' reports related to higher education and faculty workload. For trending OUS' and universities' information over multiple years, we used the Consumer Price Index All Urban Consumers - (CPI-U) U.S. city average for trending.

From OUS Institutional Research, we obtained instructional faculty and graduate assistants reports, and data on faculty employment records, course sections offered during the academic year and the instructor assigned to each section offered.

We spoke with university management, faculty and staff from OUS and the seven universities on their oversight system and management decision-making processes related to faculty.

For further review and analysis, we chose to focus on the following four Oregon universities: UO and OSU are considered larger universities, and WOU and EOU are considered smaller universities. The two larger universities offer a full range of undergraduate majors, master's, and doctoral degrees, and strongly emphasize research, and are considered research universities. The smaller two universities offer a full range of undergraduate programs and some master's programs, and are considered teaching or "comprehensive" universities. We requested data directly from the universities on what faculty taught during academic year 2009-10 and their related tenure, rank and salary information.

We also reviewed a sample of faculty evaluations at three of the universities (WOU, OSU and UO) to assess the management of faculty resources and obtain clarification on faculty responsibilities. To accomplish this, we randomly selected a sample of 134 evaluations that included tenured, tenure track and non-tenured evaluations.

Federal law regarding student records severely limits access to protect privacy. While we routinely analyze and maintain the confidentiality of records containing sensitive information, federal law in the education area

is much more restrictive. Federal law allows access of state auditors to student enrollment information only to test university compliance with Federal funding requirements. We were informed of these limitations in the course of this audit, but with additional effort by OUS and on our part, we were able to obtain the data relevant to this audit that did not contain student information. However, this law would prohibit performance audits that evaluate the effectiveness of university instruction. For this reason, we are not able to conduct audits in this area and have not included it as a future topic.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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May 2, 2011

Gary Blackmer
Director
Oregon Audits Division
255 Capitol Street NE, Suite 500
Salem, OR 97310

Dear Mr. Blackmer,

On behalf of the Oregon University System, thank you for the efforts of your staff in completing the recent audit on faculty work, "Oregon University System: Improve Management of Faculty Workload."

As requested, below are the OUS responses to the eight recommendations. If you have any questions about these, please contact Patricia Snopkowski, OUS Chief Auditor/Executive Director, Internal Audit at 541-737-0505 or Patricia_Snopkowski@ous.edu.

OUS Responses to OAD Recommendations in Audit Report:

EXECUTIVE SUMMARY

We extend our thanks to the Oregon Audits Division (OAD) for the report issued May 1, 2011, entitled, "Oregon University System: Improve Management of Faculty Workload." We recognize that this audit was not conducted to fix a problem, but rather to help OUS develop tools for our continuous improvement. Like the Oregon Audits Division, we are mindful of the cost of education and seek every opportunity to provide quality education at the lowest cost possible. We note that recent national data show clearly that Oregon's public universities spend less per student and less per degree awarded than almost all other public universities in America. But despite that efficiency and the unquestioned hard work of our faculty, we continue to seek ways to reduce cost without compromising quality. To that end, the recommendations in the OAD report will be helpful as we seek to improve efficiency. Our focus is on outcomes: on meeting performance targets for educating Oregonians and providing research and services to energize the economy and communities throughout our state.

The following comments address topics covered in the report. OUS takes the OAD recommendations very seriously, and we will use them to help us become more effective in meeting Oregon's education goals, focusing on outcomes for the investments made and on minimizing cost without sacrificing quality in instruction, research, or service.

Monitoring Faculty Workload and Setting Workload Expectations:

The OAD questions how faculty time is accounted for and its impacts on efficiency. Faculty members are salaried, not hourly employees and do not maintain a detailed accounting of the time they spend on the various aspects of their complex professional work. Expectations are set for the amount of effort each faculty member devotes to teaching, research and service, but these are guidelines rather than a precise chronicling of hours and vary based on discipline and professional level.

The core elements of the Oregon University System mission—teaching, research/scholarship, and service – are inextricably linked and embodied in the faculty who are charged to carry out that mission. Although all tenure-related faculty in OUS perform all of these functions, the expectations about and proportion of time allotted to each function varies depending on the particular academic discipline, institution mission and program focus. Teaching, research and service are not mutually exclusive activities—each needing to have separately documented work hours, and there is considerable overlap among these faculty work components. The contributions made by faculty need to be viewed holistically, not as three mutually exclusive functions. For all OUS universities, the products of faculty research and scholarship are integrated into the curriculum.

How much time a faculty member spends on research and scholarship is dependent on the mission of her or his university, the discipline or field in which s/he is working, and the complexity of the issues being studied, and the resources available. Engaging in research and scholarship is a unique and essential function of university faculty. The importance of research to OUS faculty and the state is reflected in our continued top 10 national ranking in federal research dollars per faculty member. To put this into perspective, OUS earns at least as much each year from the federal government to support research as it receives in state appropriations to support student instruction.

The OAD staff were concerned that OUS did not monitor and track the time a faculty member spent on non-funded research and scholarship. While much research is funded by the state and/or the federal government, some of it is not funded externally. The value and significance of research, scholarship and professional development is not reduced by the lack of external funding nor should it be restricted to those matters which attract external funding. Determining whether academic output – whether a chemistry text book or a breakthrough in nano-technology – was produced efficiently is not achieved simply through a time and motion study. Most breakthroughs are the result of many years of thought and experimentation—often conducted before any external funding is generated. Measures of efficiency based solely on how long it took a faculty member to write a book, make a new scientific discovery, or help a community with important social issues are not answering the question of faculty efficiency or effectiveness. OUS holds as a solid precept that faculty work requires accountability at all levels (individual faculty member, department, college, university, and system) and university and system structures and third party accreditation ensure that, using national quality standards. We do not believe that the type of work in which faculty are engaged lends itself to the kind of hourly monitoring suggested in the OAD report.

How Departments Manage Workload:

The OAD questions the structure of academic departments and its impact on accountability. Team (department, college, and university) costs and results are standard and reliable measures of productivity used in Oregon and nationally. As a measure of efficiency, the cost per degree in Oregon is among the lowest in the nation.

Every faculty member is assigned to an academic department and although faculty are afforded flexibility for reasons that are necessary to allow them to explore new pedagogies and scholarship, decisions on workload are made keeping in mind the obligations and productivity of the department as a whole, and within the context of overall university and statewide goals. Yes, there is some autonomy afforded faculty, but no single faculty member has the ability to act as a sole agent. Expectations for faculty workload are set at the department, college and university levels.

The OAD report raises questions about the universities' departmental leadership structure and the limited term appointments of chairs. This structure exists not only in our OUS institutions but in higher education institutions throughout this country and in much of the world. Department chairs are seldom full time administrators (and in fact, for many departments that would be a waste of precious resources). Department chairs are members of the faculty and as such, although they provide leadership for their departments, they still carry faculty responsibilities in teaching, research and service. Many chairs take on the responsibility for only a few years because doing so for much longer could have negative consequences on their teaching and research, as well as their credibility with other faculty. It is true that some OUS department chairs come to the job with little or no management experience or leadership training. This is acknowledged by the universities, and all OUS institutions have programs or supports in place to assist in training and mentoring new department chairs, as well as to continue the professional development of continuing chairs. These efforts will continue to be enhanced.

In higher education peer-based assessments and decisions are seen as an effective means to facilitate a clear understanding of each discipline within each department. They provide for mentoring of faculty and knowledge on the part of the department chair as to what each faculty member in that field needs in order to be successful. As part of a faculty governance structure, tenure-related faculty provide leadership to and management of their universities, shoring up the academic and administrative infrastructure through direct service and support. There are statutes and policies that document the central role of faculty in the governance of OUS institutions (ORS 352.010 Status of Faculty; Board Policy on Executive Leadership and Management Section (F) Presidential Authority (6), (7), and (8)). Shared governance at universities is recognized as a good practice across the country.

Managing Course Offering and Faculty Work:

The OAD questions if OUS institutions are managing course offerings in an efficient manner. Course management starts with each department developing a set of learning objectives – what every student who graduates with that major should know and be able to do. It is from these objectives that the curriculum is developed and course offerings are determined. Faculty members take responsibility for developing and teaching courses and assuring that those courses are aligned within the overall curriculum based on that member's discipline-specific expertise. Faculty must constantly balance their time between teaching and their scholarly and service commitments. This balance illustrates the primary responsibility for learning held by faculty members and how new knowledge is brought to bear on societal needs through teaching and service.

The management of course offerings is a critical function and is one taken seriously by OUS. All of our universities have enrollment management plans and processes to determine student demand for courses. An examination of what the offerings and enrollment were in the previous year is used to help determine course offerings for the following year. OUS has policies governing the offering of low enrollment classes and majors and has focused considerable attention on addressing high demand bottleneck courses in order to ensure students can make progress toward degrees. Further, attention is paid by each university

to offer courses in specific sequences to make sure students make progress toward degrees in a timely manner.

All OUS institutions have rigorous standards for promotion and tenure, for post-tenure review, and for merit salary increases (when available), all of which link advancement to success in teaching, research and service accomplishments. Faculty who fail to meet departmental/college and university articulated expectations, which are approved at the level of each university's chief academic officer (provost), will not be granted tenure (and, therefore, continued employment), will not be promoted, and will not see merit salary increases.

The OAD cites class waitlists as a means to track unmet instructional needs. Waitlists do have value, but may not always be a good indication of student demand. For example: a course offered at 10 am might have a large waitlist and the same course offered at 8 am has no waitlist, showing that in this case it might be a time/convenience issue and not an issue of available seats. Other factors that affect section offerings include lack of available classroom or laboratory space at a given time because of campus facility constraints. Record enrollment demand has forced some campuses to offer science and other lab sections late into the evenings, because of finite lab space. Departments have an obligation to make sure that classes are available to the full range of students. This means offering courses at different times of the day and evening, during different terms, and even different years. The OAD suggestion to develop waitlists for courses is a good one and will be pursued, keeping in mind the issues noted above.

UNIVERSITY RESOURCES:

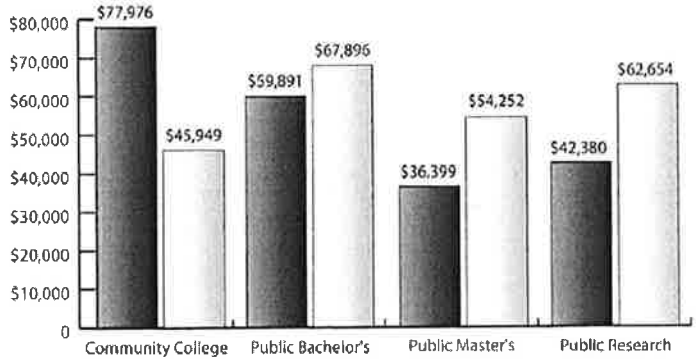
The OAD questions if university resources always are used effectively. The university resources section of the OAD report does not accurately reflect the financial elements necessary to draw conclusions about efficiency and wise decisions about faculty time. The data represented in the OAD report related to an affordability index, not a university system cost index. The data include several factors in the calculation, with need-based financial aid provided by the state (through Oregon Student Assistance Program) weighted the same (20%) as tuition costs. Average median income, a factor over which OUS has no control, also is a factor. State appropriations are the largest single factor influencing tuition costs, the relationship to faculty efficiency is not clear in the report.

The biggest contributor to tuition costs and net affordability for students in Oregon, as in all other states, is the level of state appropriations that support the universities and underpin a state's financial aid programs. Oregon's per student support from state appropriations has fallen rapidly and is now among the lowest in the country (45th). That has led to tuition increases so that universities can offer quality instruction. Despite that fact, Oregon's tuition for resident students in recent years has increased at less than that for the average state (according to recent data from the National Governors' Association). And, Oregon's total cost of instruction per student and per degree (from all sources of income) ranks near the bottom of that for all states in the country, according to an independent national study released last year.

Data published by the National Governors Association (NGA) Center for Best Practice shows Oregon's educational and relative spending per completion for 2008 at our public institutions as being approximately $20,000 below the United States average.

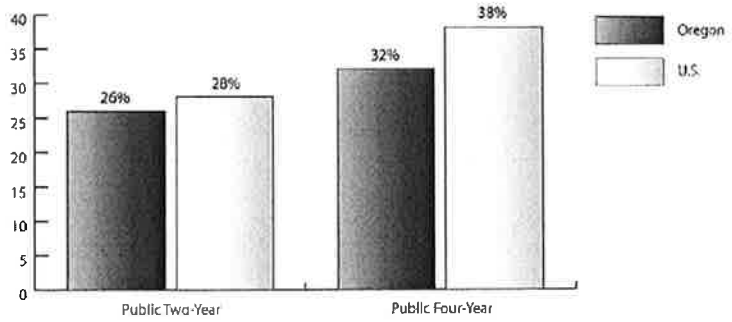
That same source also shows Oregon's percent change in in-state tuition from 2004-05 to 2009-10 as being 6 percentage points below the national average.

Education and Related Spending per Completion (2008)
This indicator provides another view of output in relation to input–how much it costs to and degrees by institution type.



Source: Delta Cost Project

Percentage Change in In-state Tuition (2004-05 to 2009-10, not adjusted for inflation)
This indicator gauges the degree to which state colleges and universities have used tuition as a funding source during the recent economic downturn.



Source: The College Board

ENROLLMENT AND GRADUATION:

The OAD does not link OUS' very large enrollment increases with the relatively flat number of faculty FTE. Although the OAD report provides data on both the increase in student enrollment and a relatively flat five-year headcount of instructional faculty and graduate assistants, these two variables are not viewed holistically. OUS institutions are teaching more students without a commensurate increase in the numbers of faculty.

The ratio of FTE students to full-time faculty has been used by OUS and universities nationally as one of the quantitative indicators of the quality of teaching and learning experienced by students. The OUS student/faculty ratio reflects not only the number of students in classes, but also the load placed on faculty for other instruction related activities, such as advising, mentoring, and curriculum development.

MONITORING AND REPORTING EFFORTS COULD BE IMPROVED:

The OAD report states that OUS does not look at costs, demand for classes, or time spent with students. OUS completes a "Cost of Instruction by discipline, by student (and course) level" every fall. OUS also completed extensive cost research when developing the Resource Allocation Model or RAM – including analyzing nationally available cost of instruction studies for comparison. For course demand, OUS has a rigorous method for completing annual, collaborative Enrollment Projections by campus, by discipline (department) and by student level.

There is a significant amount of work on the part of the faculty every year to make sure that their courses are current, relevant, take into account the latest technologies and methods of teaching, are of value to students, and are of the highest quality.

A faculty member's teaching obligations go beyond the classroom. Faculty are very involved in supervising students in internships, creating service learning opportunities, taking students on field study, and mentoring and advising them. These activities and preparations are often not tracked in terms of counting credit hours, but are of incredible value to students and enrich their learning experiences in many ways, as well as being a major factor in student retention and preparation for real experiences in the workplace.

Mention is made in the OAD report of workload reporting requirements and reports in other states (Nevada and Utah) as examples of how faculty workload is tracked at a system level. We have read those reports carefully, and in fact, those sources do not always seem to support many of the assumptions and conclusions in the OAD report. For example, the Nevada report makes some important notes about the limitations that impact their analysis and reporting that are not acknowledged in the OAD report. These cited limitations include such observations:

- *"Faculty heavily involved in doctoral education have reduced instructional workload expectations, a factor that must be taken into consideration when analyzing aggregated teaching loads at the universities."*

- *"Department chairs usually have discretion when assigning faculty workloads and may tailor assignments to particular faculty members' academic preparation, interests and talents to support the institution's mission and student demand. Because of this it would not be unusual in a single department to find one faculty member teaching 3 or 4 courses per term while another teaches two courses and conducts a major research project as well."*

RECOMMENDATIONS:

OUS views the list of recommendations as valuable tools for OUS to diagnose and take corrective action in specific areas where promised performance metrics might fall short of expectations. However, the System should be held accountable for outcomes relative to inputs, and since OUS is generally among the lowest cost/degree systems in the nation and among the highest research funding/faculty FTE systems among the states, the System clearly will be looking for sub-areas of possible low performance and selectively applying as appropriate some of the tools proposed on a case by case basis.
With that in mind, we offer the following general responses to the recommendations.

Recommendation 1: "Ensure universities regularly review faculty workload and take action where efficiencies can be achieved without adverse impacts on instruction." Working with the Provosts of the universities and the Board's Academic Strategies Committee, OUS will ask each university to examine its current processes to determine how best to implement this recommendation in alignment with its individual mission, but with the important distinction that adverse impacts on research and service also should be considered.

Recommendation 2: "Incorporate efficiency measures into its strategic plan." The recent performance compact proposed by the Oregon University System includes an important dimension of efficiency. The Chancellor's Office will request the Board's Governance and Policy Committee to consider if the measures already adopted by the Board are sufficient to assess the effectiveness of OUS in providing high quality instruction, research and service at the lowest reasonable cost.

Recommendation 3: "Develop OUS guidance on instructional and other workload expectations." The Chancellor's Office will work with the Provosts and the Board's Committee on Academic Strategies to develop such guidance consistent with the individual missions of the seven universities.

Recommendation 4: "Ensure universities set clear and specific instructional expectations for each department." The Chancellor's Office will ask each university Provost to determine the appropriate level at which to establish any such expectations and the appropriate nature of such expectations, given the mission of the university, the requirements of applicable collective bargaining agreements, and the flexibility that may be necessary to accomplish that mission in furtherance of the Board's goals for Oregon.

Recommendation 5: "Routinely gather and analyze information on all areas of faculty workload activities in all universities and departments. Develop periodic reports at all levels of university administration on instructional practices and workload, identifying areas where possible efficiencies can be achieved." The Chancellor's Office will request each university to review its processes for determining and assigning the teaching, research and service work of its faculty to ensure that efficiencies are identified and considered, and to report periodically about the efficiencies considered and those implemented.

Recommendation 6: "Incorporate these workload expectations into university performance evaluations." Universities already evaluate faculty through extensive and intensive tenure and post tenure review processes that assess the productivity and scholarship of each faculty member. The overall performance of each university and its president is assessed each year with respect to the achievement of goals set by the president and of performance outcomes established by the Board of Higher Education.

Recommendation 7: "Ensure universities provide any needed guidance and assistance to department heads so they can apply and follow through on workload expectations." This recommendation will be implemented in light of the actions taken in response to Recommendations 1, 3, 4, and 5 and the universities will share their most effective training and mentoring practices for the support of department chairs.

Recommendation 8: "Adjust course offerings within and among the universities by consistently tracking unmet instructional needs, and continue monitoring low enrollment courses to identify under-enrolled or unnecessary courses that could be eliminated." Each university will be requested to review its existing practices in light of this recommendation, which is consistent with current Board policies, and to identify appropriate opportunities for collaborative approaches to fulfill the "unmet instructional needs" noted in the recommendation.

Thank you for the opportunity to provide this response.

Sincerely,

George Pernsteiner
Chancellor

cc Patricia Snopkowski, OUS
Sona Karentz Andrews, OUS
Paul Kelly, State Board of Higher Education

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of her office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

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The courtesies and cooperation extended by officials and employees of the Oregon University System during the course of this audit were commendable and sincerely appreciated.