UNIVERSITY OF OREGON

May 24, 2017

TO: The Board of Trustees of the University of Oregon

FR: Angela Wilhelms, Secretary

RE: Notice of Academic and Student Affairs Committee Meeting

The Academic and Student Affairs Committee of the Board of Trustees of the University of Oregon will hold a meeting on the date and at the location set forth below. Subjects of the meeting will include: school and college finances and budgeting processes and student health insurance. The meeting will occur as follows:

Thursday, June 1, 2017 at 8:00 am
Ford Alumni Center, Giustina Ballroom

The meeting will be webcast, with a link available at www.trustees.uoregon.edu/meetings.

The Ford Alumni Center is located at 1720 East 13th Avenue, Eugene, Oregon. If special accommodations are required, please contact Amanda Hatch at (541) 346-3013 at least 72 hours in advance.

UNIVERSITY OF OREGON

Board of Trustees of the University of Oregon
Academic and Student Affairs Committee
Public Meeting
8:00 am – Thursday, June 1, 2017
Ford Alumni Center, Giustina Ballroom

Convene

- Call to order, roll call
- Approval of March 2017 ASAC minutes (Action)

1. **School and College Finances: Allocation Redesign, Provost Hiring Initiative, and Existing Gap Analyses:** Scott Coltrane, Senior Vice President and Provost; Brad Shelton, Senior Vice Provost for Budget and Strategic Planning; Christoph Lindner, Dean, College of Design

2. **Student Health Insurance – Model and Practices:** Roger Thompson, Vice President for Student Services and Enrollment Management, and LeAnn Gutierrez, Executive Director of the University Health Center

Meeting Adjourns

An equal-opportunity, affirmative-action institution committed to cultural diversity and compliance with the Americans with Disabilities Act

Agenda Item #1

School and College Finances: Allocation Redesign, Provost Hiring Initiative, and Existing Gap Analyses

Academic Budget Systems, Institutional Hiring, Renormalizing Academic Expenditures

Report to the Academic and Student Affairs Committee
June 1, 2017

Agenda

1. Major components of a new Academic Budgeting System
2. The Institutional Hiring Plan
3. Transitions and academic expenditure renormalization.

New Academic Budgeting System

- Since FY11, the university has utilized an "activity based budget model" for determining college-level budget allocations.
  - For a host of reasons this model suffered instability.
  - The model no longer works well for us.
- We have designed a new method for establishing academic allocations (as of FY19) that is meant to more clearly support our mission.
  - The new method is designed to focus decision making in the most important places.

New Academic Budgeting System

- We divide all academic *expenditures* into four different *types.*
- Each type of expenditure will have a specific allocation.
- Each allocation type will change year over year by a *different* method that is informed by (but not governed by) metrics.
- This system covers only General Fund (GF) allocations in the Schools and Colleges.

New Academic Budgeting System

Type 1 expenditures:

1. Base salary and OPE for all tenure-related faculty, including Deans.
2. A base level of Graduate Employees (GF only)
   - teaching, grading, research assistants, dissertation support
   - not grant funded GE's or GE's supported through startup

Type 2 expenditures:

1. All academic year non-tenure track instructor salaries and OPE
2. All other GF faculty salaries, wages and OPE (stipends, overloads, summer instruction, summer research)
3. Any GE positions beyond the base allocation in Type 1.

New Academic Budgeting System

Type 3 expenditures:

1. All administrative salaries and OPE (officers of administration, classified)
2. Services and Supplies
3. Non-GE student wages

Type 4 expenditures:

1. School or College level GF tuition remissions
2. Special investments in new programs

Note: As an institution, we also have major expenditures around *startup*, but these expenditures now occur in the Office of the Vice President for Research and Innovation

New Academic Budgeting System

Why break the expenditures into these types?

Type 1 (TTF and base GE's) Expenditure decisions:

- have 30+ year and 5-6 year time commitments
- are about the work *closest* to our mission

Type 2 (NTTF and other instructional costs) Expenditure decisions:

- have 0-3 year time commitments
- are about work that is *critical* but not quite as close to mission, and work that shifts more fluidly

Type 3 (Administrative personnel, S&S) Expenditure decisions:

- have 0-1 year time commitments
- are about work that is also *critical* but supports the mission rather than being the mission.

Type 4 (Financial aid and new programs): This stuff is just different.

New Academic Budgeting System

Relative % of these expenditures types in FY16 and FY13? (approx.)

Type 1 (TTF and base GE's):

- FY13: 59%, FY16: 57.5%

Type 2 (NTTF and other instructional costs):

- FY13: 20%, FY16: 22.5%

Type 3 (Administrative personnel, S&S):

- FY13: 20%, FY16: 17.5%

Type 4 (Financial aid and new programs):

- FY13: 1%, FY16: 2.5%

New Academic Budgeting System

New system allocations to support these expenditure types?

Type 1 (TTF and base GE's):

- Fully fund all actual expenditures of this type.

Type 2 (NTTF and other instructional costs):

- Provide the school or college with an annual lump sum.

Type 3 (Administrative personnel, S&S):

- Provide the school or college with an annual lump sum.

Type 4 (Financial aid and new programs):

- Fully budget and carefully monitor these expenditures.

Additional Funding:

- Revenue share of summer session tuition revenues
- Revenue share of some graduate tuition revenues

New Academic Budgeting System

Important question: How do these allocations change year over year?

Type 1 (TTF and base GE's): (allocation – fully fund all expenditures)

- Under this model of allocation, the Provost becomes responsible for all of these expenditures.
- The allocation thus changes to conform to *hiring* of TTF and GE's
- THEREFORE: The Provost must control all tenure-track faculty hiring and the base allocation of GE positions.
- Note: This approach shifts the focus of discussions, planning and financial decisions from $ to people, where it belongs.
- Because of this change we have adopted a new process: the Institutional Hiring Plan (more on this later).
- The Institutional Hiring Plan must be informed by the direction set by the Strategic Plan and METRICS that measure quality, efficiency and need.

New Academic Budgeting System

Important question: How do these allocations change year over year?

Type 2 (NTTF and other instr. costs) - lump sum plus revenue share

- The allocation will change from year to year by a deliberation that takes into account METRICS that measure quality, efficiency and need.

Type 3 (Administrative personnel, S&S) – lump sum allocation

- The allocation will change from year to year by a deliberation that takes into account METRICS that measure quality, efficiency and need.

Type 4 (Financial aid and new programs)

- Annual, cooperative analysis of need and review of progress
- New programs launched with a multi-year financial plan

New Academic Budgeting System

METRICS?

All of the decision making that goes into allocations, including hiring, should be informed by metrics that measure how well units are utilizing resources to contribute to the *mission* and *excellence* of the institution.

These metrics may vary by *type* of expenditure.

A large committee of faculty and staff, co-chaired by Vice Provost and Dean for Undergraduate Studies Lisa Freinkel and Professor of Psychology Elliot Berkman has been working on defining these metrics.

New Academic Budgeting System

Before I go on to discuss the first major consequence of the new budgeting paradigm, are there any questions?

The Institutional Hiring Plan

The new academic budgeting system clearly re-establishes the Provost's authority over all tenure track faculty hiring.

The Provost has always had this authority. However, the authority was generally delegated to the Deans to hire faculty within the resources they had available. Of course the Provost's Office retained veto power over any individual search or hire, but the Provost's Office did not typically have a coordinating role in hiring across the various Schools and Colleges, or even across the College of Arts and Sciences.

The Institutional Hiring Plan

The new academic budgeting system clearly re-establishes the Provost's authority over all tenure track faculty hiring.

The Institutional Hiring Plan (IHP) is a new process designed to take advantage of our shift from decentral to central TTF hiring authority.

The IHP is a single, published description of all planned TTF searches.

The IHP creates a new, holistic focus on our most strategic and important goals: where we want our future research and teaching excellence to be concentrated.

The Institutional Hiring Plan

The process:

- Step 1: The Deans use their own processes to solicit TTF hiring proposals from their Departments and/or Programs. These processes should involve substantial faculty involvement.
- Step 2: The Deans vet, edit and add to the proposals from their faculty, then forward a sub-collection of those proposals to the Provost.
- Step 3: The Provost's office takes the proposals from all the Schools and Colleges and creates a preliminary IHP. This process is informed by METRICS, institutional goals and fiscal constraints.
- Step 4: The preliminary IHP is vetted through two groups:
  - The Council of Deans
  - A small faculty advisory group appointed by the Provost.
- Step 5: The Provost refines the IHP into final form.
- Step 6: Schools and Colleges are given permission to starts searches and the IHP is published by the Provost's office.

The Institutional Hiring Plan

The IHP in action:

Although the new budgeting system will first set budgets for FY19, any hiring done in FY18 will be a part of the allocation for that FY19 budget. Hence, it made sense to run the IHP process this spring.

Unfortunately, we did not yet have all of the metrics that will be a cornerstone of the new budgeting system, but we went ahead and ran the process as best we could, informed by some basic data.

It was impressive to see the synergies that were identified and engendered by the new process. Next year we will improve the process.

The Institutional Hiring Plan

The FY18 IHP consists of 67 approved searches:

"The plan reflects not only the President's priorities for the university—enhancing academic quality, promoting interdisciplinary excellence, supporting diversity, equity, and inclusion, increasing external support, and growing graduate education—but each dean's academic vision and, more, the prospects for collaboration and synergy among schools and colleges that emerged during the dean and faculty group discussions. Individual proposals to create or enhance strength in computational science, environmental humanities, global cultures, the study of social inequality, transportation/urbanization, and other areas coalesced into interdisciplinary hiring themes; and the plan also reflects our ongoing commitment to established clusters like Neurons to Minds and Volcanology."

The Institutional Hiring Plan

The FY18 IHP consists of 67 approved searches:

A full text of the FY18 IHP is available here today, and can also be found on the Provost's web site.

Before I go on to discuss other transitions from our old budgeting model to our new budgeting system, are there any other questions?

Transitions and Academic Expenditure Renormalization

Transitions

Transitions from one system of budgeting to another are very difficult and can be very stressful.

However, the Type 1 expenditures are more than 50% of the overall School and College finances. With the IHP in place and advanced work on the distribution of base GE funding (joint with the Graduate School), we're already half way done.

Unfortunately we faced a second issue: a misalignment of annual expenditures and annual budgets in some of the schools and college.

Transitions and Academic Expenditure Renormalization

The Gap Process

Over the past several months, the Provost's office worked closely with each of the Schools and Colleges to identify:

- Any gap between the unit's expenditures and their annual allocation
- A plan within the unit for reducing expenditures
- Extra investments that needed to be made in the unit

This process was similar to discussions between the Provost's office and the College of Arts and Sciences that started in FY15. That process culminated in the College of Arts and Sciences having a recurring resource base for FY18 that is more than sufficient to cover recurring costs.

Transitions and Academic Expenditure Renormalization

Gap Process Results

- In FY16, School and College expenditures were approximately $12.7 million more than annual allocations (adjusted down to $5 million by one-time transfers near the end of the year)
- In FY17, School and College expenditures will be approximately $9.5 million more than annual allocations (adjusted down to about $5.5 million by one-time transfers near the end of the year)
- In FY18, we project School and College expenditures to be approximately $4M more than annual allocations, with possibilities for that number to drop significantly
- By FY21, all of the Schools and College should be "run-rate" even. Most will achieve this by FY19.

Transitions and Academic Expenditure Renormalization

Summary of the Gap Process

The gap analysis process, with the many recurring expenditure reductions that various schools and colleges had to identify, was very difficult. It was necessary to non-renew many employees of the institution and more non-renewals will occur over the next two years. Some small-enrollment programs were closed. Some workloads were reexamined and changed.

Transitions and Academic Expenditure Renormalization

Summary of the Gap Process

But the gap process brought to light many further opportunities for the Schools and Colleges to work together and partner with the Provost's Office to find substantive efficiencies that will enhance our education and research mission. These include curricular efficiencies, shared services, better course planning and coordination, further closure of some small-enrollment programs and elimination of unnecessary courses and curriculum.

Transitions and Academic Expenditure Renormalization

Thank you for your time and patience!

Please let us know if you have any further questions.

Agenda Item #2

Student Health Insurance – Model and Practices

UNIVERSITY OF OREGON

University Health Center: Insurance Model and Practice

Thursday, June 1, 2017

Presenter: Dr. Roger Thompson, Vice President for Student Services and Enrollment Management

Board of Trustees of the University of Oregon

Mission Statement: The University Health Center's mission is to provide exceptional, culturally competent health services and public health leadership that enhances personal success and optimizes health and wellness for a diverse campus community.

**The University Health Center (UHC) is a separate entity from the University Counseling & Testing Center (UCTC)*

UHC provides:

- Medical care including primary care, specialty care, and psychiatric services designed to keep students well and help students remain engaged in their academic pursuits and build resiliency.

Overview of Services

Top 5 reasons students visited the health center:

- STI/HIV screenings
- Upper respiratory conditions (ear, nose, and throat issues)
- Travel physicals and immunizations
- Contraception
- Anxiety Disorders

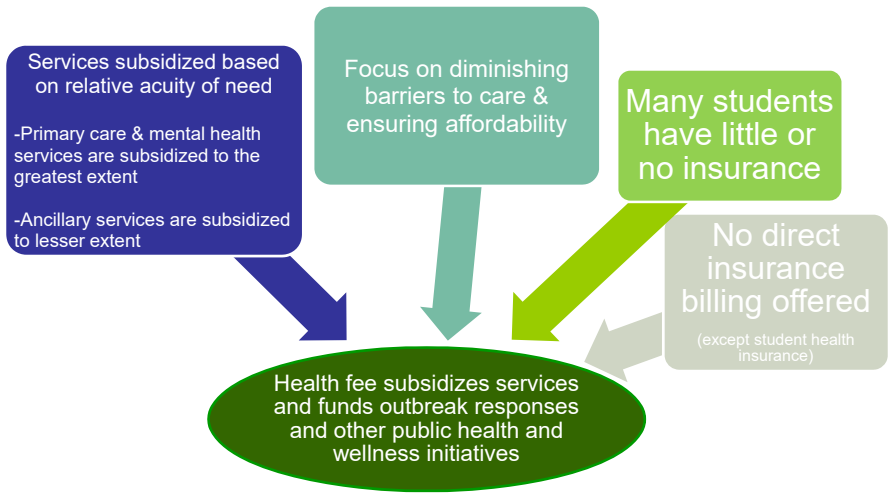
Average services per year

- Over 52,000 Encounters
- Students served: 15,000 (62% of campus census)
- Primary Care: 27,000 visits
  - Estimated 7,500 visits have a mental health related diagnosis
- Psychiatry & Mental Health visits: 2,400
- Travel Medicine visits: 900
- Pharmacy prescriptions filled: 17,000
- Diagnostic Services:
  - 36,000 labs
  - 1,000 x-rays
- Immunizations: 2,000 shots
- Dental visits: 2,100
- Physical therapy visits: 5,000
- Acupuncture visits: 350
- Massage visits: 700
- Immunotherapy visits: 450
- Triage visits: 8,700
- Immunizations: 2,000
- Flu vaccines: 2,000

The Affordable Care Act (ACA) A Game Changer

- Students are eligible for coverage under their parents' plans until age 26
- More students come to campus with insurance
- Private insurance plans trend towards less coverage and higher out of pocket expenses
- Students/families voice expectations of direct insurance billing

Historical Model



Current Insurance Contract Statuses

Pharmacy

In Network:
- PacificSource
- Express Scripts (largest national pharmacy benefits manager)
- Caremark (PBM)
- Healthnet
- Aetna
- Humana
- CCARE
- Select Blue Cross/Blue Shield Plans
- Many other smaller payors

In Progress:
- Remaining Blue Cross/Blue Shield
- Cigna
- OptumRx (PBM includes Providence)

Dental

In Network:
- Aetna
- MODA

In Progress:
- CIGNA
- Regence
- Advantage
- MetLife

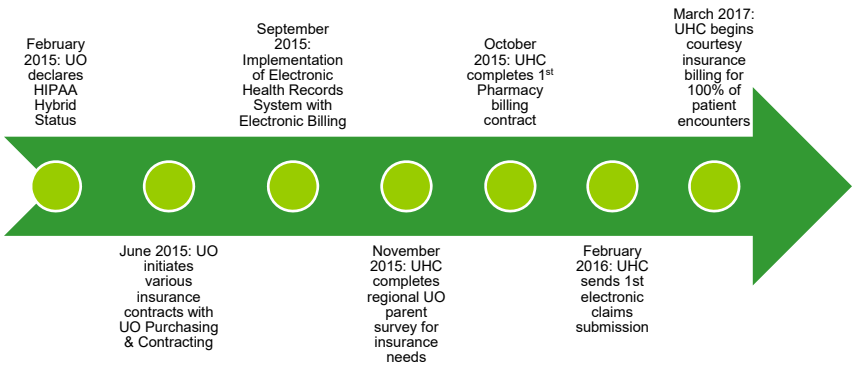
Medical

In Network:
- UO Student Health Benefit Plan
- CCARE

In Progress:
- Providence PPO (General)
- Providence Health Plan (OR Pref.)
- PacificSource PPO
- United HealthCare
- Blue Cross/Blue Shield
- Moda Healthcare*
- Aetna (Medical)*
- Cigna (Medical)*

*pending credentialing for contract intake

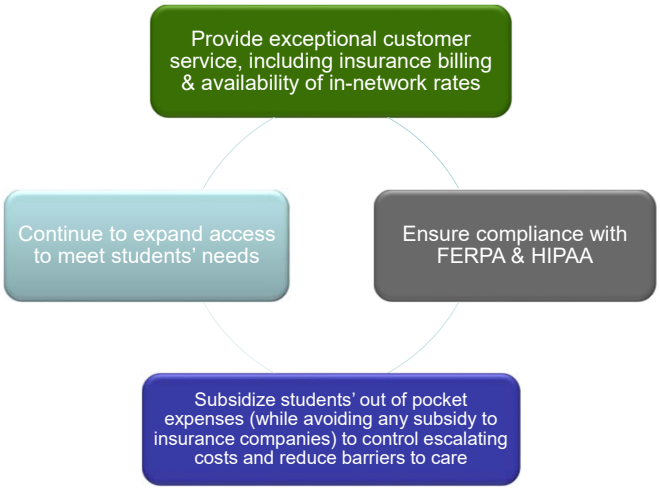
Timeline of Adaptations



Insurance Contract Execution Process

- UO General Counsel works closely with Purchasing &Contracting, outside counsel, and the UHC to adapt industry-standard insurance contracts to meet the University's specialty needs (FERPA, student exclusivity, stringent legal requirements, etc.)
- Most contracts take 8 – 12 months of negotiations to execute secondary to these higher complexity legal issues

Goals of a Future Model



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Questions?

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Agenda Item #1 - Supplemental

School and College Finances: Allocation Redesign, Provost Hiring Initiative, and Existing Gap Analyses

UNIVERSITY OF OREGON | Office of the Provost and Academic Affairs

University of Oregon Institutional Hiring Plan (Tenure Track Faculty)

Key (also in Comments):	Blue = Potential Continuation of a Pending AY16-17 Search	Yellow = Continues Unsuccessful AY16-17 Search	~~Strikethrough~~ = No Longer Needed

	AY17-18 Search #	College/ Division/ School	Department/ Program	Cluster, by College	TTF Specialty	TTF Rank	Comments
1	AY17-CAS-HUM-01	CAS-HUM	EALL	-	Korean Literature and Culture	Assistant	
2	AY17-CAS-HUM-02	CAS-HUM	ENG	-	19th Century African American Literature and Culture	Assistant	
3	AY17-CAS-HUM-03	CAS-HUM	ENG	-	Comic and Cartoon Studies	Assistant	
4	AY17-CAS-HUM-04	CAS-HUM	ENG	-	Composition and Rhetoric	Open Rank	
5	AY17-CAS-HUM-05	CAS-HUM	LING	-	Language Description and Typology	Assistant	
6	AY17-CAS-HUM-06	CAS-HUM	PHIL	CAS: Environmental Humanities	Environmental Philosophy	Assistant	
7	AY17-CAS-HUM-07	CAS-HUM	RL	-	Spanish Sociolinguistics	Assistant	(Continues an Unsuccessful AY16-17 Search)
8	AY17-CAS-NS-01	CAS-NS	BI	-	Human Microbiome Science	Assistant	
9	AY17-CAS-NS-02	CAS-NS	BI	Central: Neurons to Minds	Systems Neuroscience	Assistant	(Continues an Unsuccessful AY16-17 Search)
10	AY17-CAS-NS-03	CAS-NS	BI	-	Zebrafish Research	Assistant	
11	AY17-CAS-NS-04	CAS-NS	BI/CH	Central: Genome Function	Genome Function	Assistant	Approved if AY16-17 search doesn't succeed
12	AY17-CAS-NS-05	CAS-NS	BI/CH	Central: Genome Function	Genome Function	Assistant	(Continues an Unsuccessful AY16-17 Search)
13	AY17-CAS-NS-06	CAS-NS	BI/CIS/MATH	CAS: Computational Genomics	Computational Genomics	Assistant	(Continues an Unsuccessful AY16-17 Search)
14	AY17-CAS-NS-07	CAS-NS	BI/CIS/MATH	CAS: Computational Genomics	Computational Genomics	Assistant	(Continues an Unsuccessful AY16-17 Search)
15	AY17-CAS-NS-08	CAS-NS	BI/MATH	CAS: Computational Neuroscience	Computational Neuroscience	Assistant	Approved if AY16-17 search doesn't succeed
16	AY17-CAS-NS-09	CAS-NS	CH	-	Biochemistry	Assistant	
17	AY17-CAS-NS-10	CAS-NS	CH	-	Chemical Biology	Assistant	Approved if AY16-17 search doesn't succeed
18	AY17-CAS-NS-11	CAS-NS	CH	-	Physical Chemistry	Assistant	(Continues an Unsuccessful AY16-17 Search)
19	AY17-CAS-NS-12	CAS-NS	CHEM/PHYS	Central: Energy & Sustainable Materials	Chemistry or Physics	Assistant	(Continues an Unsuccessful AY16-17 Search)
20	AY17-CAS-NS-13	CAS-NS	CHEM/PHYS	Central: Energy & Sustainable Materials	Chemistry or Physics	Assistant	(Continues an Unsuccessful AY16-17 Search)
21	AY17-CAS-NS-14	CAS-NS	CIS	-	Data Science	Assistant	
22	AY17-CAS-NS-15	CAS-NS	CIS	-	High Performance Computing	Assistant	
23	AY17-CAS-NS-16	CAS-NS	CIS/Science	CAS: Applied Statistics	Computational Science	Assistant	
24	AY17-CAS-NS-17	CAS-NS	ERTH	Central: Volcanology	Volcanology	Assistant	(Continues an Unsuccessful AY16-17 Search)
25	AY17-CAS-NS-18	CAS-NS	ERTH	Central: Volcanology	Volcanology	Open Rank	Approved if AY16-17 search doesn't succeed
26	AY17-CAS-NS-19	CAS-NS	PSYCH	-	Cognitive Neuroscience	Assistant	(Continues an Unsuccessful AY16-17 Search)
27	AY17-CAS-NS-20	CAS-NS	PSYCH	-	Developmental Neuroscience	Assistant	
28	AY17-CAS-NS-21	CAS-NS	TBD	CAS: Applied Statistics	Statistics	Associate/ Full	
29	AY17-CAS-NS-22	CAS-NS	TBD	CAS: Applied Statistics	Statistics	Assistant	
30	AY17-CAS-NS-23	CAS-NS	TBD	CAS: Applied Statistics	Statistics	Assistant	
31	AY17-CAS-SS-01	CAS-SS	ANTH	CAS: Gender-Based Violence	BioCultural Anthropology	Assistant	
32	AY17-CAS-SS-02	CAS-SS	ANTH	-	Biological Anthropology	Assistant	
33	AY17-CAS-SS-03	CAS-SS	ANTH	-	Folklore and Public Culture	Assistant	
34	AY17-CAS-SS-04	CAS-SS	ECON	CAS: Data Science for the Study of Social Inequality	Data Science	Assistant	

University of Oregon Institutional Hiring Plan (Tenure Track Faculty)

Key (also in Comments):	Blue = Potential Continuation of a Pending AY16-17 Search	Yellow = Continues Unsuccessful AY16-17 Search	~~Strikethrough~~ = No Longer Needed

	AY17-18 Search #	College/ Division/ School	Department/ Program	Cluster, by College	TTF Specialty	TTF Rank	Comments
35	AY17-CAS-SS-05	CAS-SS	ECON	-	Open Field	Assistant	
36	AY17-CAS-SS-06	CAS-SS	ECON	-	Open Field	Assistant	
37	AY17-CAS-SS-07	CAS-SS	GEOG	CAS: Data Science for the Study of Social Inequality	Data Science	Assistant	
38	AY17-CAS-SS-08	CAS-SS	GEOG	-	Geographic Information Science	Sr Assistant/ Associate	
39	AY17-CAS-SS-09	CAS-SS	HIST	-	Ancient World/ Late Antiquity	Assistant	
40	AY17-CAS-SS-10	CAS-SS	HIST	-	US Women's and Gender History	Assistant	
41	AY17-CAS-SS-11	CAS-SS	WGS	-	Open Field	Assistant	(Continues an Unsuccessful AY16-17 Search)
42	AY17-COE-01	COE	CPHS	-	Couples and Family Therapy	Assistant	(Continues an Unsuccessful AY16-17 Search)
43	AY17-COE-02	COE	CPHS/ SPECS	-	HEDCO Clinic Director	Associate/ Full	
44	AY17-COE-03	COE	EMPL	-	Educational Leadership	Associate/ Full	
45	AY17-DESIGN-01	DESIGN	ARCH	-	Interior Architecture	Assistant	
46	AY17-DESIGN-02	DESIGN	HAA	-	Environmental Humanities	Assistant	
47	AY17-DESIGN-03	DESIGN	PD	-	Sports Product Design	Assistant	Approved if AY16-17 search doesn't succeed
48	AY17-DESIGN-04	DESIGN	PPPM	-	Public Engagement w/ Diverse Communities	Assistant	
49	AY17-DESIGN-05	DESIGN	PPPM	Multi-College: Transportation	Transportation Planning and Policy	Assistant	
50	AY17-KNIGHT-01	Knight Campus	BI/CIS/MATH	-	Computational Biology	TBD: Pending Proposal	
51	AY17-LAW-01	LAW	JD	-	Criminal Law	Assistant	
52	AY17-LAW-02	LAW	JD	Multi-College: Transportation	Land Use/ Transportation/ Green Dev	Assistant	
53	AY17-LCB-01	LCB	Accounting	-	Accounting	Assistant	
54	AY17-LCB-02	LCB	Finance	-	Finance	Assistant	
55	AY17-LCB-03	LCB	Management	-	Organizational Behavior	Assistant	
56	AY17-LCB-04	LCB	Management	-	Sustainability	Open Rank	(Continues an Unsuccessful AY16-17 Search)
57	AY17-LCB-05	LCB	Marketing	-	Consumer Insights	Assistant	
58	AY17-LCB-06	LCB	Operations/ Business Analytics	-		Assistant	(Continues an Unsuccessful AY16-17 Search)
59	AY17-SOJC-01	SOJC	SOJC	-	Media and Intersectionality	Assistant	
60	AY17-SOJC-02	SOJC	SOJC	-	Media Studies - Games Studies	Assistant	
61	AY17-SOJC-03	SOJC	SOJC	-	Media Studies - Global Media, Technology and Social Justice	Assistant	
62	AY17-SOJC-04	SOJC	SOJC	-	Science/ Environment Communication	Assistant	
63	AY17-SOJC-05	SOJC	SOJC	-	Social Media Data Analytics	Assistant	
64	AY17-SOMD-01	SOMD	Music Education	-	Elementary Music Education	Assistant	
65	~~AY17-SOMD-02~~	~~SOMD~~	~~Music Education~~	-	~~String Music Education~~	~~Assistant~~	No Longer Needed: AY16-17 search succeeded