

# I. Introduction

## A. Purpose and Background

### Purpose

The University's 2002-2003 Plan, Performance, and Accountability Report is an accounting of how well the University has met its goals over the last five years and represents an updating of the University's first Plan, Performance, and Accountability report completed in December 2001.<sup>1</sup>

This report is intended to answer three fundamental questions:

- In what areas do we intend to excel? Provide an integrated framework that will clearly articulate the connections between our goals and our strategic directions from an institutional, campus, and collegiate perspective.
- How do we act strategically to accomplish our goals? Demonstrate the University's accountability for its strategic directions and investments through reallocations, budget reductions, and external funding.
- How did we do? Publicly track and evaluate the University's progress in reaching its stated goals and objectives and identify areas needing additional work, through longitudinal institutional and campus/college-level measures.

The University Plan, Performance, and Accountability Report:

- Publicly demonstrates the University's accountability for progress in reaching its stated goals and objectives.
- Links planning, performance evaluation, and resource allocation at the system and campus/college level (e.g., the Compact Planning Process).
- Illustrates and analyzes longitudinal trends in key areas.
- Provides a means for comparison with peer institutions.
- Identifies areas for continued work.
- Identifies next steps, major directions, and policy issues, and proposes adjustments to the University's goals and objectives.

The report includes:

- A seven-part framework for the University's goals. This framework is organized around the three core components of the University's mission: Academic Excellence (research and discovery); Students (teaching and learning); and Engagement (access and outreach). They are supported by four additional sections: Human Resources; Facilities; Institutional Efficiency and Effectiveness; and Finances.
- An overview of the University's strategic and accountability framework.
- The core of the report, which is the discussion of the plans, performance information, and analysis at the institutional level for each of these seven areas.
  - Discussion of the strategy and initiatives to achieve goals in each area.

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<sup>1</sup> Significant revisions of the Plan, Performance, and Accountability Report are planned once every two years (in even years) with data reviewed and updated each odd year.

- Presentation and analysis of key results, progress toward meeting performance goals, comparison with peer institutions as appropriate, and data profiles.
- Plan and performance highlights for each campus.
- Appendices that elaborate on the external context and challenges facing the University; criteria for evaluating academic programs; and extensive data profile sets, for the system and each campus.
- Links to additional Web-based data and resources.

### How to use this report

Readers will be able to find particular information as follows:

- For broad goals and overall strategic issues, see Part I.
- For system-wide priorities, initiatives, and strategies, see Part II.
- For examples and documentation of key results, and analysis of performance, see Part II.
- For goals, strategies, and performance for the campuses, see Part III.
- For detailed system and campus data profiles, see Appendix C.

The report was initially submitted to the Board of Regents in December 2001 and February 2002, and thereafter will be submitted annually. This report will be posted on the Web after it has been approved by the Board of Regents in February 2003.

### Background

Critical measures 1994-1999. The University Plan, Performance, and Accountability Report builds on a strategic planning and reporting process that began in 1994, with the Board of Regents' direction to develop critical measures and benchmarks for internally measuring institutional, campus, and unit performance. Twelve original measures were identified, reviewed, and approved by the Board of Regents and expanded to 14, in phases, between 1994 and 1996.

The measures were not intended to be used for external ranking purposes. Their origins lay in conversations that the Board of Regents had with the University community and citizens, who responded to the question, "What was it that the public wanted to see improved at the University?" As a result, a strong emphasis was placed on improving the undergraduate experience (this emphasis is continued into Section II.B. of the current report). Reports based on the original measures were submitted to the Board in 1996 and 1997. Intended as a living document that would be continuously improved, the measures were reviewed and recommendations to update them were presented to the Board in 1999.

Beyond critical measures: integrated reporting 2000-2001. In 2000, the Board requested that the administration review three current, annual institutional reports – the Institutional Measures, the Compact Planning process, and the annual academic plan and report – to determine the feasibility of providing a single, consolidated report each year rather than three individual reports. In November 2000, the Board reviewed a preliminary conceptual framework for the report and approved a resolution stating that the report shall:

- “Articulate the alignment of academic priorities established within each unit to the overall goals, directions, and investment strategies of the institution as established by the President and the Board of Regents through the capital request, the biennial request, operational and capital budgets, and institutional evaluation and accountability measures.
- “Include and expand upon near-term and future challenges, opportunities, and priorities of the institution; statistical profiles of the University at the campus level; selected statistics related to system trends; analysis of University-wide and unit strategies to achieve goals as reflected in the Compact Planning Process; summaries of accomplishments and investments; progress in the Institutional Measures; and a summarization of special institutional studies and reports.”

### Sources of Data and Methodology

Data sources. Much of the institutional information reported here derives from data sets developed for the Integrated Postsecondary Education Data System (IPEDS) reports that all colleges and universities file with the U.S. Department of Education’s National Center for Educational Statistics. Some information has been assembled from various national reports on higher education ranking systems. Other data are collected internally: Facilities Management Space database; College and University Financial System (CUFS) reporting database; University of Minnesota Foundation reports; Sponsored Projects Administration reports; Budget and Finance reports; and various internal surveys.

Methodology. This report emphasizes external comparisons more than previous reports. These comparisons have certain limitations:

- **Timeframe:** Wherever possible, the timeframe for longitudinal data in this report is the period 1997-2002. For core University data, the exception is enrollment data, which are updated through fall 2002. National comparisons and rankings tend to lag University of Minnesota data by one or more years.
- **Comparison sets:** There is no single, consistent peer group for all of the indicators examined in this report. National comparisons focus on a variety of peer groups defined in different ways depending on the topic; these are identified in the relevant sections. Recognizing inconsistencies and methodological weaknesses of most rankings systems, this report uses rankings developed by the National Research Council (NRC), U.S. News and World Report, and The Center for the Study of the Humanities and Social Sciences (TheCenter) at the University of Florida, as well as comparisons developed internally based on Big Ten and other top public universities, as defined by NRC data.
- **Comparison data:** A number of University of Minnesota measures and indicators cannot be used to compare the institution with similar higher education institutions as no consistent, sustainable comparable data are available.
- **Similar studies:** Few public research institutions have undertaken accountability reporting on this scale and no other institution collects the same range of information that the University of Minnesota is collecting. Most similar are the accountability reports for Ohio State University, which focuses on 72 indicators in seven goal areas [see [http://www.rpia.ohio-state.edu/strategic\\_analysis/strategic\\_indicators/2001\\_Strategic\\_Indicators.htm](http://www.rpia.ohio-state.edu/strategic_analysis/strategic_indicators/2001_Strategic_Indicators.htm)], and the

University of Wisconsin system, which focuses on approximately 60 indicators [see <http://www.uwsa.edu/opar/achieve/index.htm>].

## B. University of Minnesota Goals and Priorities: In What Areas Do We Intend to Excel?

The University's priorities, investments, and strategic directions derive from its core mission and goals as the state's sole public, research, land-grant system. Each component of the Plan, Performance, and Accountability Report is linked to these vision elements which, in turn, link to the institutional-level measures originally developed on the basis of extensive discussions with citizens of Minnesota. Certain important issues – diversity, internationalization, technology – transcend more than one area and relate to many of our primary goals, and are cross-referenced where appropriate in Parts II and III. These goals also reflect analysis of our external context and challenges (see Appendix A).

University Goals	Institutional Level Measures and Performance Indicators
<b>A. Academic Excellence: Faculty and Academic Programs</b>	
<p><b>Academic Excellence.</b> To provide an undergraduate, graduate, and professional student experience that is consistently characterized by educational excellence, timely completion, and a supportive institutional climate; to generate long-term solutions for the challenges facing the state, nation, and world, through world-class research, scholarship, and artistic activities; and to listen and respond to society, providing broad access to programs and resources and effectively meeting social challenges.</p> <p><b>Reputation.</b> To achieve national and international recognition as one of the top public universities in the nation and to be nationally and internationally recognized for innovation and excellence in teaching, research, and outreach, continually setting new standards of quality and service.</p> <ul style="list-style-type: none"> <li>▪ Maintain and increase the quantity of high-quality research, thereby increasing the overall reputation of the University</li> <li>▪ Achieve improvements in research productivity, measured in the amount of sponsored funding and technology commercialization, to maintain national ranking relative to other major research universities, thereby improving the University's overall ranking and reputation</li> </ul>	<p><b>Scholarship, Research, and Artistic Accomplishments</b></p> <ul style="list-style-type: none"> <li>National rankings</li> <li>Faculty awards and academy memberships</li> <li>Faculty compensation</li> <li>Faculty retention</li> <li>Library resources</li> <li>Academic interdisciplinary initiatives</li> <li>Compact investments</li> </ul> <p><b>Sponsored Funding</b></p> <ul style="list-style-type: none"> <li>Sponsored funding</li> <li>Technology commercialization</li> </ul>

University Goals	Institutional Level Measures and Performance Indicators
<b>B. Students: Undergraduate, Graduate, and Professional</b>	
<p><b>Undergraduate Education.</b> To provide an undergraduate education on all of our campuses that exceeds the expectation of our students and which is recognizably the highest quality, most hands-on and humane undergraduate education of any comparably sized public research university in America.</p> <p><b>Graduate and Professional Education.</b> To provide graduate and professional education programs that are among the very best in the world and where our graduates are recognized as among the best educated and most innovative scholars and professionals in their disciplines, across disciplines, and chosen professions.</p> <ul style="list-style-type: none"> <li>▪ Increase the readiness to succeed and diversity of entering students</li> <li>▪ Use feedback from students to constantly improve student satisfaction, academic achievement and performance, and the distinctive instructional role of a research faculty</li> <li>▪ Increase graduation rate of undergraduate students who enter as freshmen, of transfer students, and of graduate and professional students</li> <li>▪ Strengthen preparation for and success in careers, further education, and civic and community life for University graduates</li> </ul>	<p><b>Characteristics of Entering Students</b>  New freshmen mean high school rank  Percent of freshmen in top 25 percent of high school class  Acceptance rates  Graduate student selectivity</p> <p><b>Student Experience</b>  1<sup>st</sup> and 2<sup>nd</sup> year retention rates  Diversity  Student satisfaction  Participation in study abroad  Undergraduate improvement initiative  Campus safety  Technology to enhance learning</p> <p><b>Graduation Rate (Undergraduate and Graduate)</b>  4-, 5-, and 6-year graduation rates  Degrees granted</p> <p><b>Post-graduation Experience</b>  Satisfaction of graduates with University preparation</p>
<b>C. Engagement: Access and Outreach</b>	
<p><b>Access.</b> To make information about programs and services easily accessible for students and the public; to ensure that high-quality academic programs of all types will be readily accessible for qualified students on our campuses and through distributed education; to use technology to make any-time, any-place learning responsive to professional, personal enrichment, and workforce needs of individuals and employers.</p> <p><b>Outreach.</b> To ensure that individuals, organizations, and communities are actively engaged and mutually share with the University in the identification and solution of issues and concerns related to local, state, and world problems; that our students, faculty, and staff are actively engaged in the development of civic responsibility that uses their academic expertise and experience; that we utilize technology to make readily accessible information about the University's multitude of programs and services available for public use; that we listen, value, and respond to the concerns and opinions of the general public.</p> <ul style="list-style-type: none"> <li>▪ Increase satisfaction of Minnesota citizens and key constituency groups with the University's performance and contributions to the state</li> <li>▪ Continue to increase the University's successful interactions with and benefits to its external constituents</li> </ul>	<p><b>Overall Satisfaction of Minnesota Citizens</b>  Percentage of Minnesota citizens expressing overall satisfaction</p> <p><b>Interaction with Society: Partnerships, Services, and Impacts</b>  On-line library holdings  Metro-area transfer students  Students participating in community service</p>

University Goals	Institutional Level Measures and Performance Indicators
<b>D. Strengthening the University Community: Human Resources</b>	
<p><b>Faculty and Staff.</b> To pursue the recruitment and retention of a diverse and nationally preeminent faculty and staff; to target investments to provide them with the latest technology, networks, and infrastructure in which to succeed; to invest in their development and reward them on merit; to recognize and celebrate the contributions of faculty and staff to teaching, research, and service; and to foster and encourage faculty and staff, and their governance bodies and labor organizations, to actively and effectively participate and lend direction to the University's vision, goals, and mission.</p> <p><b>Community and Shared Values.</b> To fulfill the social obligation for our University community, society, and state that transcends immediate self-interest, to cultivate a culture of civic responsibility, civility, and tolerance; to share and act deliberately upon core values of an academic community including community, integrity, pursuit of excellence, and academic freedom; and to foster an environment that is inclusive, supportive, and participatory.</p> <p><b>Diversity.</b> To recognize diversity as a value that transcends our goals; to enhance access to and success of diverse students in higher education; to help develop the human capital present in groups who have traditionally been underrepresented in higher education; and to teach individuals to interact effectively with and learn from others who are different and who hold different views and perspectives.</p> <p><b>Internationalization.</b> To understand, promote, and effectively engage an increasingly international society and economy... to help develop the international competitiveness of the state's economy; to ensure that our students and staff are actively engaged in international exchange, research, development, and study; and to provide a welcoming and supportive environment for international visitors and students, fostering their development and ability to provide leadership both to their nation and in international settings.</p> <ul style="list-style-type: none"> <li>▪ Increase preparation, satisfaction, and effectiveness of University faculty and staff, and compensate them accordingly</li> <li>▪ Increase participation of underrepresented groups</li> </ul>	<p><b>Faculty and Staff Experience</b>  Faculty compensation  Civil Service/Bargaining Unit compensation  Support for faculty and staff development</p> <p><b>Multicultural and International Distinctiveness</b>  Faculty diversity  Staff diversity  Study abroad</p>

<b>E. Facilities</b>	
<p>To promote and demonstrate a sense of integrity including a physical integrity in the campus environment that builds upon and preserves the University's traditions and heritage, where buildings and landscapes are accessible, functional, and beautiful; an aesthetic integrity among our structures, based on shared values and shared deliberations; and a social integrity, reflecting a spirit of community, tolerance, and mutual respect.</p> <ul style="list-style-type: none"> <li>▪ Invest strategically in our existing buildings to preserve their rich heritage and to enhance their programmatic effectiveness</li> <li>▪ Invest in the physical environment to foster aesthetic integrity and formal and informal human interaction</li> <li>▪ Match facilities to programmatic need</li> <li>▪ Manage our physical assets efficiently and in accordance with regulatory requirements and well-accepted industry standards for preventative maintenance and productivity</li> </ul>	<p><b>Quality and Safety of Facilities</b>  Classrooms meeting quality and utilization standards</p> <p><b>Technology upgrades in classrooms</b>  Student satisfaction  Energy consumption  Renewal/new facility ratio  Capital project oversight</p>

University Goals	Institutional Level Measures and Performance Indicators
<b>F. Institutional Efficiency and Effectiveness</b>	
<p>To be a client-focused organization providing services that are tailored to meet clients' needs and expectations; to develop services that are readily accessible, timely, efficient, effective, and of highest quality; to be recognized as an innovator and leading edge user of technology and staff development to achieve service excellence; and to excel in effective institutional resource management.</p> <ul style="list-style-type: none"> <li>▪ Use technologies to improve the academic infrastructure and service delivery</li> <li>▪ Manage resources in ways that result in successful mission-driven activities, efficient operations, and fiscally responsible budget planning</li> </ul>	<p><b>Access to and Quality of Technology Infrastructure</b>            Internet domain popularity            Email usage            Satisfaction ratings            Technology and service Improvements</p> <p><b>Instructional Cost Profiles</b></p>

<b>G. Finances</b>	
<ul style="list-style-type: none"> <li>▪ Increase the University's ability to withstand changes in public funding by successful fundraising, including increased financial support from alumni and top ranking in voluntary support among peer institutions</li> <li>▪ Maintain a strong balance sheet that provides liquidity and financial flexibility to support the University's mission</li> <li>▪ Ensure that each long-term debt financing of the University of Minnesota is completed in the most cost efficient way and in accordance with the highest standards of industry, law, and governmental practices</li> <li>▪ Maximize returns of the various University of Minnesota portfolios</li> </ul>	<p><b>Investment and Voluntary Support</b>            Size of endowment            Voluntary giving            Alumni donors            Return on invested funds</p> <p><b>Financial Procedures</b>            Incentives for Managed Growth            Compact process            Institutional Revenue Sharing            Leveraging investments</p> <p><b>Financial Health</b>            Audited financial statements            Budgeted revenues by source            Debt capacity/credit profiles            Returns on invested assets</p>

**C. Strategy: How Do We Act Strategically to Reach Our Goals?**

The University uses several primary strategies to distribute resources that make it possible to create greater efficiency, balance the budget, and create internal investment capital to strengthen academic programs and improve services. This report illustrates the cumulative impact of the University's strategic investments in new funds and reallocated resources.

During the past 10 years, the University of Minnesota has demonstrated a substantial commitment to reduce expenses and reallocate resources aligned with institutional priorities. Incrementally over the past four years, the University has identified over \$97 million in reduced and internally redistributed funds. A summary of these reductions and reallocations for the past four fiscal years

appears in the table below. These strategies will be increasingly critical as the University balances its priorities to achieve excellence against diminishing public funding.

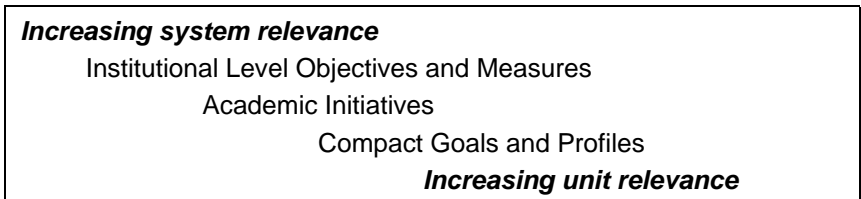
Decentralization of Accountability for Revenue Growth and Allocation of Costs

Incentives for Managed Growth (IMG) is an administrative method of resource management the University employs to provide greater autonomy at the local or unit level. The IMG methodology returns specific revenues (tuition, indirect cost recovery, and certain fees) directly to the unit that generates them, rather than funneling that revenue through a central account and redistributing it in different proportions. This process provides units with greater incentives and freedom to manage their resources actively. Additionally within this system, expenses corresponding to the revenue generation can be assigned to the local units. In this way, units increasingly share responsibility for expending funds wisely as well as for raising revenues.

The primary and most significant example of this cost allocation is in compensation. In recent years, inflationary increases in salary and fringe benefits in the centrally allocated funds have been partially funded by collegiate units with tuition increases, and partially funded by central administration with increases in the state appropriation.

Compact and Budget Process.

The Compact Process is the University's primary means for ensuring alignment of activities, accountability, and improvement of results. Resulting from substantial changes the University made in fall 1997 in its strategic planning management process, the Compact Process is designed to align the mission, goals, directions, and overall investment strategy established by the president and Board of Regents with the academic priorities established within each unit by deans, directors, faculty, and staff. Overall goals and strategic directions are established by the president and the Board of Regents through the capital request, the academic supplemental request, the biennial request, and through various institutional priorities and commitments to accountability. The Compacts emphasize outcome measures linked to the University's institutional-level measures and unit-specific and other measures adopted as part of the Compact data profile.



Through this process, a cumulative total of over \$69 million in recurring and nonrecurring funds have been allocated to the University's priorities. The impact of these investments is reflected in the activities and progress noted in Part II. Compact investments over the past four years are summarized in relationship to institutional goals in the table below. For FY 2002, an additional \$6,838,145 was invested in institutional priorities, representing an increase of 11 percent from the past three years.

**Cumulative Compact Investments 1998-2002  
Relationship to Institutional Goals and Measures\***

<b>Academic Excellence: Faculty and Reputation</b>	<b>Total Investment</b>
Initiatives	\$22,370,369
<b>Students: Undergraduate, Graduate, and Professional</b>	
Undergraduate Initiative	\$9,984,313
Graduate and Professional Education	\$5,764,069
<b>Engagement: Access and Outreach</b>	
Technology (Access)**	\$9,501,524
Outreach	\$3,786,653
<b>Strengthening the University Community: Human Resources</b>	
Diversity	\$713,090
Review/Training	\$85,000
International	\$175,000
<b>Facilities</b>	
Facilities	\$9,907,820
<b>Institutional Efficiency and Effectiveness</b>	
Technology Infrastructure	\$7,156,936
<b>TOTAL COMPACT INVESTMENTS</b>	<b>\$69,444,774</b>
*Investments in one area have multiplier effects that cross categories; e.g., faculty positions funded through the undergraduate initiative also contribute to strengthening outstanding units.	
** Total technology investments across all areas = \$15,010,374.	

*Source: Office of Budget and Finance*

Reallocations in Support of Institutional Priorities

- **Leveraging University and state investments.** Annually, unrestricted state dollars make up 36 percent of the University's total nonsponsored revenues. Though just over one-third of the total, these revenues provide the primary flexible operating dollars for the system and core support for all other revenues. The University's operations rely on an increasing proportion of non-state revenues, most of which are restricted in their use; efforts are made continually in all units to leverage the state's investment with both externally and internally generated revenue.
  
- **Leveraging new funds for academic initiatives.** The strategic investments initiated with the 1998 supplemental appropriation, combined with legislative appropriations for new programs, faculty, and capital investment, and internally reallocated resources and externally leveraged funds represent an extraordinary cumulative investment of over \$325 million, one of the largest integrated investment programs in University history and one that rivals any initiative undertaken by any university in the nation. These state and internal investments have leveraged over \$66 million in increased revenues, through new grant awards and private gifts. Additionally, several million dollars of new capital investment was financed by the University and through private donations.

- **Leveraging funding for instructional costs.** On average, across colleges and campuses, 21 percent (approximately \$130 million) of the University's instructional costs are funded from sources other than the state O&M appropriation and tuition revenue. These other funds include such sources as private practice income and income from endowments. The level of support from these other funds is up slightly from 1995, when it was 20 percent. Without these other funds, either tuition would need to be 50 percent higher or the state appropriation would need to be significantly larger in order to fund instructional programs at current levels.
- **Criteria for new initiatives and programs.** In making resource allocation decisions, the University uses six criteria to assess the significance of academic programs and initiatives and areas in which to reallocate funds. These criteria are described in detail in Appendix B. In outline, they include:
  - Centrality – potential contribution of the program to the University of Minnesota's mission and relation to current faculty and student strengths.
  - Comparative advantage – uniqueness of the program making it particularly appropriate to the University.
  - Demand – level and direction of change in external need and interest for the program; relationship to workforce needs and economic trends.
  - Quality – extent to which the program reflects research, teaching, or service quality reflected in peer national ratings, outside funding, etc.
  - Efficiency and effectiveness – projected cost of program balanced with potential for a more economical or more efficient way to accomplish the same ends.
  - Potential for growth and leveraging resources – evaluation of priorities; potential to attract new external funding and expand the application of existing resources and contributions by the University.

Reallocating faculty positions. The University's core resource is its faculty, who determine and teach the University's curriculum, design its research programs, secure funding for them, and carry out its outreach mission. One of the primary means for shaping the intellectual future of the University is the reallocation of faculty positions and effort. Through the Compact Process and internal planning, resources are continuously targeted to address changing priorities. The majority of central investments through the Compact Process require the targeting and matching of resources at the unit level.

- **Strategic faculty replacements.** On average one half of the faculty turn over every 10 years through resignation, retirement, or death. Over the past five years, this movement has averaged 120 positions each year that have become open. The replacement of these faculty is key to the University's continuing competitiveness; it maintains its leading position by recruiting faculty whose research and teaching reflect the newest and best intellectual direction in their respective disciplines and professions. While the total number of faculty at the University was 8 percent smaller in 2000 than in 1992, the number of regular faculty has been increased in areas of growth and priority. For example, positions have increased in Twin Cities campus departments of chemical engineering and materials science, computer science, mechanical engineering, biochemistry, and wood and paper science. At Duluth, departments increasing in size include computer science, electrical and computer engineering, and chemistry. The Morris campus has increased the size of its science and mathematics departments.

Targeted reductions. Over the past decade, strategic planning as well as presidential initiatives have resulted in major savings through the reduction of academic and administrative units. Equally important have been a number of significant reductions and targeted administrative reorganizations undertaken at the direction of then-President Yudof and his administration. Among these actions are:

- **Closing units.** The University has made significant changes in the operation and support of facilities. For example, during the past decade, the University closed the Waseca campus and sold a \$300 million hospital, reducing its financial liabilities.
- **Eliminating obsolete or unsafe space.** While constructing new facilities on each campus over the past decade, the University has also taken down more than 1.4 million square feet of space, reallocating operating costs from obsolete space to new space.
- **Eliminating and consolidating administrative units.** The University has reduced administrative budgets by approximately \$33.1 million over the past five years. These savings were reallocated to academic investments and improved support for students, technology, faculty, and staff.

Self-financing improvements and redesigned business processes. The University self-financed (i.e., without additional state dollars) its new student, HR, and grants management information systems and the semester conversion project mandated by the state (with no dollars), at a cost of more than \$80 million in cash as well as the redirected or reallocated effort of University employees. These initiatives have begun to improve efficiency and effectiveness and are expected to generate additional benefits in the years to come. (See Section II.F.)

- **Streamlining key business processes: The Enterprise Systems Project.** Over the past five years, the University has self-funded its migration from outmoded management information systems that were inadequate to meet current business demands, non-Y2K compliant, no longer supported by external vendors, very costly to maintain, and that provided inadequate levels of services to the University community. Our new systems support Web-based services providing, in many instances, one-stop, self-help access to key business transactions such as registration, admissions, housing applications, financial aid, procurement, and spending authorizations. The University is now beginning to reap the benefits of these investments, with the successful implementation in spring 2001 of its paperless financial aid system, and of the paperless Financial FormsNirvana and Electronic Grants Management Systems.
- **Capital improvements.** The University has also self-financed construction of Mariucci Arena, the renovation of Williams Arena, and the associated construction of the Women's Sports Pavilion. Many other major projects are supported through a combination of internal funds, self-assessed student fees, and private contributions. Examples include: the construction of new residence halls, the renovation of Coffman Union, the addition of several parking ramps, and the Law School addition. In the Academic Health Center, we have self-financed the remodeling of Jackson Hall and over half of the new Molecular and Cellular Biology building.

Moreover, a significant percentage of funds allocated through Institutional Revenue Sharing (see below) have gone to support debt service and new building operations.

- **Taxing units to support all-University services and investments: Institutional Revenue Sharing (IRS).** An extension of Incentives for Managed Growth, the IRS plan was introduced in FY00. It recognizes that certain costs at the institutional level result in benefits throughout the institution and that the costs of supporting these central initiatives and new academic investments, beyond resources from state appropriations and tuition revenues, need to be shared by all units. The University assesses its units annually for the IRS plan and to help support the Enterprise Systems.

## D. Measuring Results

The University uses a three-level framework to measure its progress: the Institutional Measures, the Compact Profiles and unit-specific measures, and tracking and assessment of progress in particular academic initiatives. Together, these sets of measures enable the University to assess the alignment and impact of priorities and investments with University goals.

### Institutional Level Measures and Performance Indicators

Based on extensive discussions with citizens of Minnesota, the Board of Regents, in January 1994, approved a resolution calling for the development of “critical [institutional-level] measures” for assessing institutional, campus, and unit performance in realizing goals in the areas of research; graduate and professional education; undergraduate education; access and outreach; user-friendliness; and diversity. Since then the University has reported extensively on these measures, which are a key element in the development of this annual performance report.

The original intent was to develop measures that would be flexible rather than “carved in stone.” Refinements to date have been proposed to: 1) include process and qualitative measures; 2) articulate connections among the measures; 3) include information about best practices’ contribution to desired outcomes; 4) incorporate important strategic issues for the 21<sup>st</sup> century, such as international context; 5) reflect new initiatives, like the interdisciplinary initiatives; and 6) adjust to areas for which data are not available.

Principles for selecting and refining the measures were to:

- Be consistent with institutional values, with symbolic meaning in communicating priorities.
- Be relevant to the mission, vision, and strategic directions outlined in University 2000 and be useful in evaluating the University’s relative success in moving forward in the desired directions.
- Emphasize outcomes reflecting real effects/outcomes/products, in addition to the associated input or process measures that are needed to understand how outcomes can be changed.
- Be meaningful at the institutional, campus, and college levels whenever feasible, to show differential contributions to addressing the University’s strategic directions.
- Reflect common perceptions of University activities about the most critical areas for the University of Minnesota to maintain and improve its performance.

- Address controllable factors (directly or indirectly controllable by the University), rather than forces totally beyond institutional control.

This report is based on this original framework, elaborated through an expanded list of specific performance indicators that have been identified for each broad measure. The 1999 Institutional Level Measures are listed above with University goals (pp. 4-7). Specific performance indicators tracked in this report are listed below.

### **Academic Excellence**

#### Overall institutional ranking

Institutional comparisons with peers – NRC;  
 US News; U Florida: top-ranked programs  
 – # ; rank; programs  
 National academy members  
 Faculty awards

#### Sponsored funding

Trendline expenditures – system; campuses  
 % change in total U Federal R&D funding vs.  
 % change in total funds available  
 Total proposals/awards/expenditures from  
 external funding per T/TT faculty

#### Faculty compensation position compared with peers

#### Faculty productivity (see Efficiency and Effectiveness)

#### Faculty retention

#### Technology commercialization

Invention disclosures  
 Patent applications  
 Patents issued  
 Licenses  
 – new licenses  
 – start-ups licensed  
 – total active licenses  
 – gross royalties and fees

#### Library resources

#### Academic initiatives and investments

### **Students**

#### Selectivity – undergraduates

Mean h.s. school rank of entering freshmen  
 % in top 25 percent – comparison  
 Acceptance rate

#### Diversity

% entering freshmen of color  
 Total # students of color

#### 1<sup>st</sup> and 2<sup>nd</sup> year retention

All students  
 Students of color

#### Student satisfaction

All students  
 Students of color

#### 4-, 5-, 6-year graduation rates

All students  
 Students of color

#### Student technology

#, % classes using instructional technology

#### Internationalization

Participation of undergrads in study abroad

#### Alcohol, drug, crime data

#### Graduate/professional

Applications – yield  
 Students of color  
 Time to graduation

#### Degrees granted

#### Impact of undergraduate initiatives/ investments

Seminars, study abroad, residential living,  
 community service, minors, convocation

#### Postgraduation experience

## **Engagement: Access and Outreach**

### Citizen satisfaction

% Minnesota citizens expressing overall satisfaction

### Outreach/access

# on-line library holdings

# metro-area transfer students

Students participating in community service (see Student section)

## **Strengthening the University**

### **Community: Human Resources**

#### Faculty compensation

Civil Service/Bargaining Unit compensation position compared with local market (sample)

Faculty diversity – persons of color; women

Staff diversity – persons of color; women

#### Support for faculty/staff development for job performance

– leaves

– training investment

– teaching development

## **Facilities**

### Classrooms

% classrooms meeting quality/utilization standards

% classrooms meeting minimum standards

# high-tech classrooms

Student satisfaction with new/renovated classrooms

### Efficiency

Renewal/new facility ratio

Energy consumption

## **Institutional Efficiency and Effectiveness**

### Service improvements

Domain popularity (.umn)

Email usage – volume of transactions

Student satisfaction

### Instructional cost profiles

## **Finance**

Audited financial statements

Budgeted revenues by source

Debt capacity/credit profiles

Returns on invested assets

Endowment and fundraising rankings

Trends in voluntary giving

## Compact Data Sets

This Plan, Performance, and Accountability Report uses additional information related to the Compact Process. Additional measures are used in the Compact Profiles for each campus, and for the institution as a whole, for the following elements. These data sets are systematically tracked and updated at a detailed level each year. They include subsets of the broader measures; longitudinal data from 1998 through 2002 are available by campus and for the entire institution. Throughout this report, these data are cited and analyzed where appropriate; full data series for each campus, and the system, are included in Appendix C. All compacts are accessible on the Web at <http://www.evpp.umn.edu>, as are these; additional data sets can be found at <http://www.irr.umn.edu/plandata/>.

## Compact-Level Measures

- Head-Count Enrollment
- Full-Year Equivalent (FYE) Enrollment
- Undergraduate, Graduate Students Proportions by Underrepresented Group
- Degrees Granted
- Retention and Graduation Rates
- Faculty and Staff Counts
- Faculty Diversity (ethnicity, gender)
- State Support per Tenured/Tenure-Track Faculty
- State Support per FYE Student
- FYE Students per Tenured/Tenure-Track Faculty
- Degrees Awarded per Tenured/Tenure-Track Faculty
- Assignable Square Footage
- Sponsored Expenditures
- Sponsored Research Proposals
- Voluntary Support
- State Support as Leverage for Other Revenues
- Grants and Contracts

Unit- and initiative-specific, complementary measures. Through the Compact Process, each college and campus is encouraged to identify additional unit-level measures specifically relevant to them, intended to assess quality and impact efficiency, and levels of service to core constituencies. In addition, the University tracks and measures the progress of individual system-wide initiatives.