

**Report to
Faculty, Administration, Regents, Students
of
University at Albany, State University of New York
Albany, New York**

**Prepared following analysis of the institution's
Periodic Review Report**

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Introduction

The Periodic Review Report (PRR) submitted by the University at Albany is an informative report that is responsive to Middle State's requirements for PRRs. It is a detailed progress report that provides a valuable retrospective, current, and prospective appraisal of the University and its challenges and plans. Its discussion of the University's responses to the previous team report and recommendations is detailed and to the point.

The PRR identifies the key institutional changes and developments since the previous team report. These include the completion of three new buildings with two more scheduled to be completed in 2005, the migration of a student accounts system to an Integrated Administration system using PeopleSoft//Oracle, creation of a Division I athletics program, and revision of faculty bylaws. Most notably, the PRR reports the creation of the world's first College of Nanoscale Science and Engineering that is expected to have major impact on the region's economy and thrust the University to a leadership position in this emerging field. Finally, it is important to note that the University has recently undergone a series of changes in top-level leadership positions (i.e., presidents, provosts, and vice presidents for Research and Institutional Advancement). It is commendable that such an informative PRR was produced during a time of transition and that the University appears to have maintained its focus given its fiscal and enrollment challenges. President Hall notes in his transmittal letter that the University will continue the campus consultation process regarding many of the issues discussed in the PRR... However, "some of the forward looking aspects of the PRR and internal process may well change in the coming months."

The PRR describes a University that is experienced with self-assessment, and consequently knows itself well. Its actions are intended to fulfill its mission, recognizing that a variety of inherent tensions accompany research universities' missions. A tradition and continued practice of shared governance combined with existing organizational structures to facilitate planning and decision-making appear to allow the University to manage and tend to these tensions. The University possesses several high quality programs of national repute and nearly every one of the challenges and opportunities identified in the PRR is defined in terms of enhancing the excellence and quality of programs and services. An emerging culture of assessment also reinforces the pursuit of excellence.

The PRR describes well the fiscal context of the University that defines its primary challenges. Like other public universities nationally, the University at Albany has experienced declining state support in recent years requiring it to become more dependent on tuition. Consequently, a major planning goal of the University is to increase enrollment. The PRR describes an enrollment strategy that will serve as the foundation for generating additional revenues to fund the University's priorities, especially that of increasing the size of its faculty.

Data, Information, and Analysis

The report addresses each of the required components of a PRR. In doing so, it is clear that the University is committed to a culture of assessment. The report demonstrates the use of assessment for decision-making, describes processes employed, and makes a commitment to longitudinal analysis. Assessment is utilized to improve student learning as well as institutional effectiveness. Many proposed changes appear to be driven by analysis of assessment data. Data are commonly provided in the responses to the recommendations of the previous team's report.

The PRR demonstrates that the University understands its challenges and has been proactive in identifying and creating opportunities. These challenges and opportunities are expected to be present over the next five years as the leadership team is put in place and the University prepares for its next Middle States review. In addition to facilities and IT challenges, the report identifies maintenance and enhancement of "programmatic excellence, expanding the faculty base, and stabilizing enrollment" at a level to support the multiple missions of the University, as well as enhancing student life by improving the intellectual and physical environment as being among its major challenges. (p.7; pp. 25-26) The linkage of enrollment planning with budgeting processes "to reflect the new tuition dependent environment" is cited as the University's most critical challenge. (p.26) The University expects "to build on and exploit the substantial gains of recent years in attracting even more external funding to support research and scholarship." (p. 7) One extraordinary opportunity is the new College of Nanoscale Science and Engineering and its potential for attracting government and corporate support. Admirably, the PRR proclaims, "The University is enthusiastic in facing these challenges and in fully exploiting the opportunities that lie ahead." (p. 27)

The recommendations of the previous team numbered nine, with some having multiple parts. Some were more specific than others and were broadly framed within a strategic planning context. They generally addressed faculty hiring and the need to balance teaching and research missions as well as taking advantage of programmatic opportunities; support of graduate students and the need to better assess the post-baccalaureate experience; enrollment planning and coordination of enrollment decisions with SUNY System Administration; increased interaction among students from different racial and ethnic backgrounds; responses to IT security issues; and planning and funding issues related to the university's physical facilities and infrastructure.

The PRR addresses the University's fiscal challenges and the previous team's recommendations in a clear and reasoned manner. Data are brought to bear in many of the responses when appropriate. The discussion of difficult issues is forthright and sensitive to the fiscal and political realities of public higher education. Questions inevitably arise, however. They are presented in the following discussion not as criticism of the PRR but to promote further discussion on campus. The questions and issues that follow are not unique to the University at Albany and in some cases reflect national trends in higher education. In some cases, the questions raised might be beyond the scope

of the PRR but are suggestive of discussions that should be taking place on campus to further refine the activities and plans identified in the PRR.

A fundamental challenge is the uncertain fiscal environment within which the University operates. Not only has State appropriations declined 4 % since 2000, but expected state funds do not always reach the campus. As the university was becoming enrollment dependent, it experienced a decline in enrollment since 2003 and an unplanned shortfall in 2004-05. Despite these enrollment data, its plans are dependent on an enrollment increase of nearly a thousand students over the next five years primarily at the undergraduate level. (p. 28)

The PRR explains that constraints were placed on growth for greater admissions selectivity and to improve the academic profile. Given its commitment to quality and the recent improvement in the quality of undergraduate students, the PRR does not address the issue of maintaining the quality of incoming students. The PRR notes the surge of high school graduates as a potential source of new students, but fails to note that the numbers of students of the quality that the University desires may not grow as much as the overall growth rate of high school graduates and that they will be highly sought after by other universities within and beyond New York State borders.

The PRR also suggests that out-of-state recruitment will intensify to achieve a freshman class with 10% of its members from out of state, but it does not address what mix of in-state and out-of-state students is required to meet the University's revenue goals required to hire the necessary full-time faculty to maintain or improve faculty student ratios. (p. 28) Nor does the PRR discuss the investment required to be successful in attracting more out-of-state students. (A baseline figure is not given.) The University should anticipate a time lag between its initial out-of-state recruitment efforts and a meaningful increase in out-of state students. Also, a discussion of scholarship and financial aid strategy to increase enrollment would provide insight into the revenue model that the University is following and the likelihood of success.

Enrollment growth is to be achieved by improved retention. Although the University is planning a number of initiatives to achieve this, the number of continuing students in recent years shows no pattern of growth nor does the first year retention rate. The six-year graduation rate has remained in the 62-65% range for the past four cohort groups, suggesting that the goal of a 70% graduation rate by 2010 will be challenging. The University has a wealth of assessment data to help it fashion a retention strategy. The discussion of programmatic initiatives (pp. 40-41) could be more explicitly related to an analysis of retention data to help the reader better evaluate the achievability of the University's retention goals. .

Another aspect of the University's enrollment plans is to decrease slightly the percentage of graduate students. A more complete discussion of this strategy would be helpful. Given the inadequacy of graduate student stipends, the PRR fails to explain how the University will maintain the quality of its graduate students, especially at the Ph.D. level.

Indeed, the discussion of graduate students and assessment at the graduate level is not as informative as the rest of the report. The PRR fails to distinguish between PhD students and other graduate students in discussing support. Do Masters students receive tuition waivers and assistantships? What is the diversity of the graduate student population? The report fails to discuss the Ph.D. completion rate, which is a national issue for graduate education, or the number of degrees awarded annually. To what extent are these outcomes related to the scarcity of funding available for graduate students? What initiatives, if any, aside from the University's AGEF grant, are being undertaken to affect the Ph.D. completion rate?

Three of the previous team's recommendations focused on faculty hiring and the relationship of faculty size to the University's teaching and research missions. The data presented reveal that after a period of growth from 1999 to 2002, the size of the faculty has declined to a level below that of 1995. Much of that decline occurred in Arts and Sciences. Although the PRR notes that some faculty transferred from Arts and Sciences to the new College of Nanoscale Science and Engineering, it does not fully explain the university-wide decline. Are faculty retiring, dying, or leaving for other positions in academia or industry? What are the annual numbers of hires and departures? Is the University competitive with its start-up packages? What is the age structure of faculty? Will there be a large number retiring in the next five years? While the PRR indicates a commitment to increase faculty size, it does not indicate that a strategy for faculty recruitment has been developed to achieve larger gains in faculty size. Given the competition for top quality faculty, especially from private universities, the reality is that increasing the size of faculty is more than an issue of resources. Also, it should be acknowledged that the issue becomes more complex (and more competitive) if the University is attempting to increase the diversity of its faculty.

The PRR notes that general education courses are taught by a large contingent of part-time faculty, but does not comment on the quality of that instruction relative to having more full-time faculty teach these courses. What model is the University following? It is much less expensive to use part-timers to teach undergraduates, but higher education is often criticized for that practice. Hiring full-time tenured/tenure track faculty to teach general education and other undergraduate courses may improve quality but it is much more expensive and exacerbates the tension between teaching and research missions. Complicating the issue is the fact that the University's strategy is to fund many of the new faculty with external funds. The PRR does not indicate whether these are tenured/tenure track positions nor does it address how these positions, if funded externally, will be sustained over time.

The University has recruited a diverse student body. It is seeking to create a climate where students of different backgrounds interact more with one another. The PRR identifies activities, structures and programmatic initiatives designed to achieve this goal. However, the PRR does not address the academic success of its minority students. Metrics that might be adopted are the retention and graduation rates of the University's minority students.

A number of the recommendations addressed facilities and IT issues. The PRR provides a frank discussion of these issues and the challenges the campus faces. Recognizing that this is primarily a resource issue, the PRR identifies the top priorities for the current multi-year capital plan. In this area, as with other issues, the University is dependent upon state budget outcomes and the actions of state agencies. The rapid increase in the University's research productivity must be placing intense pressure on its staffing and infrastructure. The PRR could more explicitly address the types of challenges that the University is facing as a result of its growth in scholarly productivity.

Assessment Processes and Utilization of Assessment Results

As stated earlier, the University has a record of assessment activities. The PRR reflects this, uses data to support the direction the University has set, and explicitly commits the campus to utilizing assessment in future decision-making and connecting institutional planning and budgeting processes.

The University has a Director of Assessment to coordinate and assist programs with self-studies (which are done on a seven-year cycle) and assessment activities, an Assistant Vice President for Strategic Planning and Assessment, a University Council on Academic Assessment, a Provost's Assessment Advisory Committee to monitor resource needs driven by academic program reviews, an Office of Institutional Research that supports assessment activities, as well as other structures. Program reviews are influenced by SUNY Faculty Senate guidelines and Middle States' expectations (p.36), and accrediting bodies such as NCATE and AACSB provide a basis for program review self-studies for those programs governed by specialized accreditation bodies. In addition, the SUNY system has mandated assessment of general education and the university has completed the first three-year cycle of the mandated assessment. The PRR reports that faculty members are engaged in the process, discuss instruction and learning issues, and that positive student learning outcomes and increased student awareness and understanding of general education have been realized.

There is a mandate to develop assessment strategies throughout the University not just for academic planning in order to ensure institutional effectiveness. For example, a number of instruments (19 are listed) are used to measure student satisfaction. A proposed Institutional Assessment Plan was under consideration at the time the PRR was written. Vice presidents are poised to implement the plan as it relates to their areas as soon as it is approved. Division and unit assessment plans will be developed. The University has initiated the use of dashboard indicators to evaluate itself in critical areas, most of which are discussed in the PRR. It intends to integrate performance dashboards into its planning and budgeting processes in summer, 2005. (p.45)

The PRR notes that the University has moved from a centralized resource management model to a decentralized one. The transition is complicated by decision-making in arenas beyond the institution's control. The PRR notes the need "to recalibrate the University's annual resource planning process to articulate it more clearly with its academic planning process and to more fully involve" the campus stakeholders "in the determination and

pursuit of campus priorities.” (p. 49) As a result, President Hall is introducing “compact planning” to revisit the strategic planning process, identify and fund key initiatives, and hold units and the institution accountable. It is expected that when this process is in place, a tighter linkage than has been the case will be achieved among planning, assessment and resource allocation.

Conclusion

The PRR of the University of Albany provides information about progress since the last team visit, effectively addresses the recommendations of the previous team’s report, and describes planning and assessment activities of the institution. The PRR discusses frankly the institution’s major challenges and opportunities. As is true of other public institutions, the University’s ability to succeed is in part affected by decisions made in other venues. Nevertheless, the University clearly is attempting to control as much of its fate as is possible by pursuing effective planning and alternative revenue generation strategies. The PRR provides evidence that outcomes assessment processes are in place and that the results of such processes are being utilized. It also provides evidence that the University is making progress in linking institutional planning and budget processes.

It is clear from the PRR that the University meets Middle States’ accreditation standards as detailed in the Characteristics of Excellence. The campus is commended for its assessment activities and planning. To support and assist the Institution in its self-improvement efforts, the following suggestions are offered:

- If it has not already been done, attention should be given to how the University will increase its enrollment while maintaining or improving its students’ academic profile.
- The tuition revenue model and tuition levels necessary to accomplish the University’s annual goals should be explicitly identified so that responsible officials can implement their plans with higher levels of certainty.
- The same strategic assessment of undergraduate student success be applied to graduate student success, especially at the Ph.D. level.
- Discussion of faculty attrition and relation of faculty size to the University’s teaching and research missions continue with the goal that a more detailed hiring plan be developed addressing various issues including resources necessary to support increased faculty numbers, the appropriate distribution of faculty, and workload expectations.
- The University be more explicit about the role of indirect cost revenues earned from external grants and contracts in meeting the campus’ fiscal challenges and infrastructure needs.
- A review of dashboard indicators be implemented to determine if existing indicators actually capture the critical information needed for self-evaluation given the University’s priorities. Ph.D. completion rate, minority student retention and graduation rates, and should receive consideration.

The University's decennial re-accreditation process will provide the opportunity to evaluate the success of the assessment activities reported in the PRR and the impact of the new compact planning process and other initiatives.

PERIODIC REVIEW REPORT

FISCAL ANALYSIS

2005

NAME OF INSTITUTION SUNY AT ALBANY, NY

FINANCE ASSOCIATE David E. Hollowell

University of Delaware, DE

PERIODIC REVIEW REPORT
SUNY at Albany
Financial Resources
D. Hollowell, July 2005

The 2000 Accreditation Report noted that over the preceding ten years SUNY at Albany had greatly strengthened its financial position and also noted that its facilities were meeting the needs of the academic programs. The last five years have not been as kind to Albany. Finances have undergone a major shift with the operating budget growing from \$245 million to \$426 million (+72%) while State support decreased by 4% and funds from tuition and fees increased by 36%. In addition, beginning in FY03, that State has not fully funded negotiated salary increases nor met the funding based on the SUNY budget formula. The result has been operating deficits that have been met through reductions in expenditures and using up nearly all of the campus-based reserves. It is likely that these reserves will fall to as little as \$600,000 in the current fiscal year. This was exacerbated by a shortfall in enrollment during the 2005 academic year. It is anticipated that recurring budget reductions will be in place by the next fiscal year to cover the "structural" budget problem but it will leave Albany with next to no flexibility if a future fiscal crisis occurs.

As one means of dealing with the revenue problem, Albany plans to grow the undergraduate enrollment by about 1,000 students over the next several years by recruiting more out-of-state (and international) students in both the freshman and transfer classes and to increase their penetration in New York State. As was noted in the 2000 report, such enrollment growth will need to be coordinated with the SUNY System Office to assure that facilities and other resources can be made available to support such growth.

With regard to facilities, the 1998 facilities master plan has been augmented with a facilities condition study and a capital budget plan. In current project cost dollars, about \$700 million in renewal and new facility needs have been identified; a number that far outstrips the availability of funds in the foreseeable future. In addition, the need for space to house the increased research activities has resulted in a fragmentation of locations and the infrastructure of the original "academic podium" campus is at the end of its useful life.

The bottom line is that SUNY Albany has some serious operating and capital funding issues that may impact its ability to attract/retain the numbers of students it desires and to sustain the excellent research program that it has established.

It appears that planning and budgeting are well linked at Albany. The new president has announced that there will be "a re-calibration of the basic planning and budgeting process to better focus on future directions and to align resources toward agreed upon goals." This will be accompanied by a review of the Albany strategic plan.

An audit financial statement was not included with the materials reviewed. My recollection is that SUNY is audited as a system and there is little in the audit that speaks to finances of the individual campuses.