



***B**oard of Trustees Meeting*

Focus Discussion
February 23, 2006



***A**cademic Costs*

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Issues

- High faculty productivity
- Below average faculty compensation
- High average instruction costs
- Demographics

Faculty Productivity

- Has been steadily increasing for a decade and is tied to
 - Enrollment growth.
 - Bargained Agreements
 - 2000 - A portion of compensation was tied to cost avoidance
 - 2003 - A portion of compensation was tied to enrollment
- University comparisons are challenged by inconsistent measures of FTETF
 - WMU Agreement
 - Normal load - 24 credits per year
 - “Teaching Specialists” - normal load of 30 credits per year
 - Provision for faculty to have reduced loads

Faculty in each category are presumably counted as 1.0 FTEF

Productivity

Fiscal Year Equated Students per Full-Time Equated Faculty

	2000-01	2001-02	2002-03	2003-04	2004-05
CMU	18.6	18.6	18.3	18.8	18.5
EMU	19	19.6	19.7	19.3	18.5
FSU	15.6	15.4	15.1	15.4	15.2
GVSU	18	18.6	20.3	19.6	19.5
LSSU	16.3	15.7	15.9	15.9	14.3
NMU	20.9	21.2	22.3	22.9	22.7
OU	19.6	20	19.9	20.8	21.4
SVSU	19.3	21.2	20.1	20.4	20.4
UM-D	16.3	16.2	16.9	15.7	15.4
UM-F	16.7	17.7	16.7	17.3	16.3
<i>Average</i>	<i>18.0</i>	<i>18.4</i>	<i>18.5</i>	<i>18.6</i>	<i>18.2</i>
MSU	12	12.3	12.8	13.1	13.4
MTU	12.4	13	12.6	12.8	12.8
UM-AA	11.4	10.6	11.3	11.3	11.8
WMU	15	15.1	14.6	14.5	13.6
WSU	11	11.5	9.5	8.6	N/E

Average excludes NMU

A teaching assignment of 24 course credits equals 1.0 Full-time Equated Teaching Faculty (FTETF) at NMU. Included are graduate assistants, faculty overloads, adjuncts as well as full-time faculty.

Course enrollments of 30 undergraduate credits equals 1.0 Fiscal Year Equated Student (FYES)

Course enrollments of 24 graduate credits equals 1.0 FYES

Central Ideas

- Interplay between
 - Faculty Productivity
 - Aggregate Compensation for Instruction
 - Enrollment
 - Faculty 'mix'
- Faculty Mix is about *average compensation* and not about adjuncts, *per se*.
- Faculty Mix is about how we spend our instruction dollars and not how much we spend.

Average Cost of Instruction

	2000-01	2001-02	2002-03	2003-04	2004-05
CMU	\$55,341	\$54,824	\$58,659	\$64,762	\$66,061
EMU	\$61,000	\$63,730	\$69,157	\$70,177	\$71,470
FSU	\$70,221	\$71,406	\$73,136	\$71,177	\$73,285
GVSU	\$57,766	\$59,632	\$68,491	\$69,244	\$70,562
LSSU	\$55,163	\$53,600	\$58,230	\$60,460	\$55,832
NMU	\$75,857	\$68,532	\$71,907	\$76,056	\$74,115
OU	\$65,738	\$67,110	\$69,561	\$70,228	\$74,462
SVSU	\$55,659	\$61,486	\$61,782	\$63,855	\$66,718
UM-D	\$59,651	\$65,884	\$70,106	\$66,578	\$72,901
UM-F	\$58,917	\$61,060	\$64,387	\$65,028	\$64,669
Average	\$59,939	\$62,081	\$65,946	\$66,834	\$68,440
MSU	\$70,146	\$76,317	\$80,162	\$84,104	\$85,212
MTU	\$73,427	\$75,649	\$73,863	\$72,015	\$76,462
UM-AA	\$81,929	\$94,622	\$108,373	\$109,313	\$115,538
WMU	\$55,543	\$56,959	\$58,990	\$60,470	\$59,183
WSU	\$67,480	\$70,976	\$53,372	\$49,899	N/E

Average excludes NMU

The **average cost of instruction** is defined to be the total expenditures paid to teaching faculty (salary and fringe benefits) divided by the number of fulltime equated teaching faculty.

2004-05	
Expenditures for Instruction	\$27,533,692
Fulltime Equated Teaching Faculty	371.5
Unit Cost of Instruction	\$74,115

***Percent of Undergraduate Instruction Taught by
Tenured/Tenure-Earning Faculty
2004-05***

	T/TEF	NTF
CMU	54%	46%
EMU	55%	45%
FSU	69%	31%
GVSU	59%	41%
LSSU	77%	23%
NMU	74%	26%
OU	53%	47%
SVSU	60%	40%
UMD	55%	45%
UMF	46%	54%
<i>Average</i>	58%	42%
MSU	51%	49%
MTU	62%	38%
UMAA	43%	57%
WMU	55%	45%
WSU	N/E	N/E

Weighted Average excludes NMU

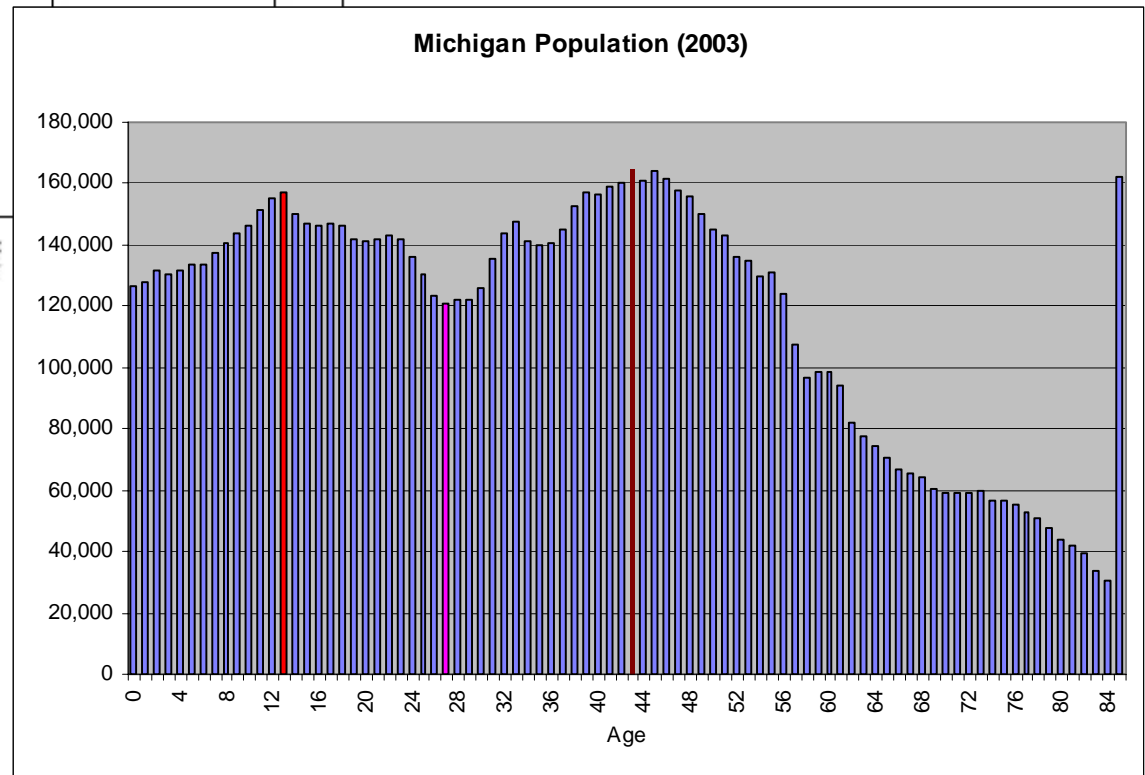
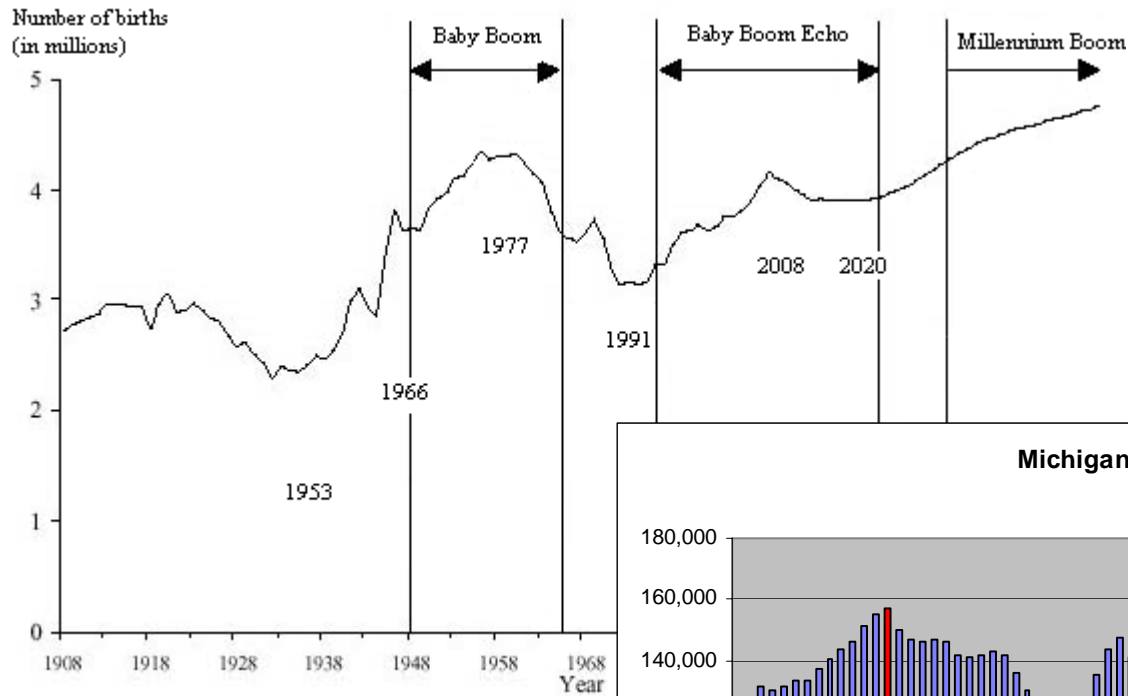
Average Cost and Faculty Mix

An Illustration

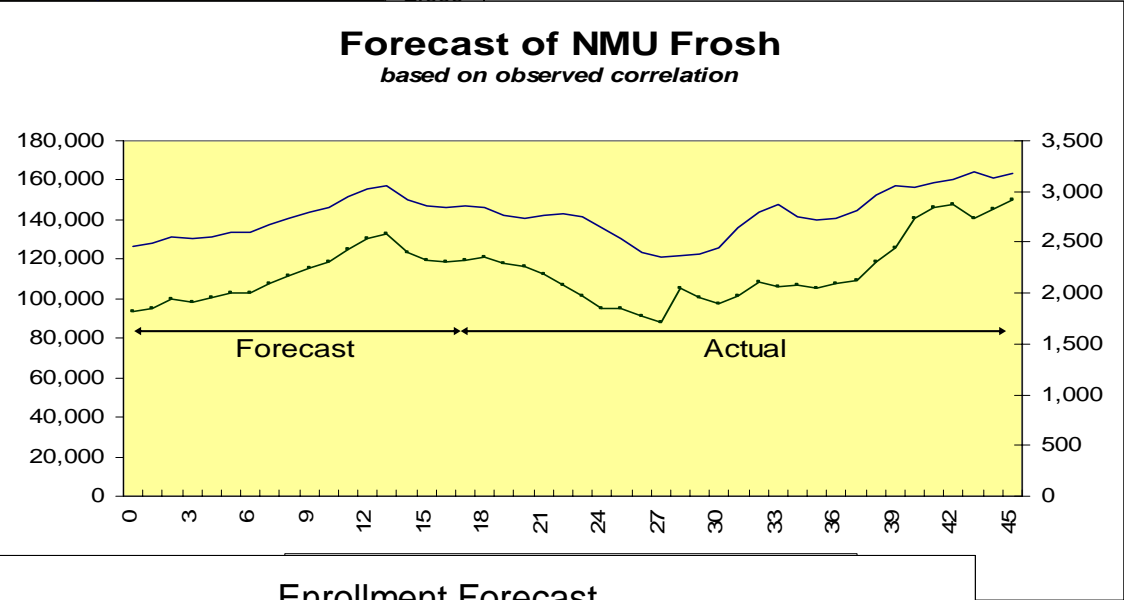
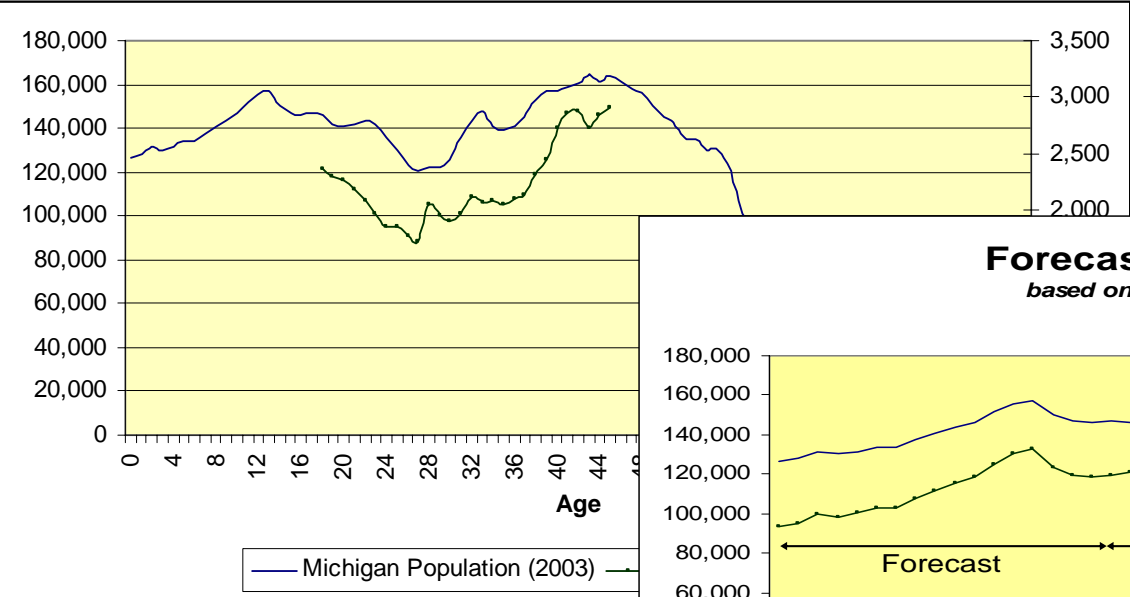
Type	Average Comp	FTETF	Cost	Percent
Tenured/Tenure-Earning	\$85,000	70	\$5,950,000	70%
Non-tenured	\$40,000	30	\$1,200,000	30%
	Total	100	\$7,150,000	100%
		Unit Cost	\$71,500	

Type	Average Comp	FTETF	Cost	Percent
Tenured/Tenure-Earning	\$85,000	30	\$2,550,000	30%
Non-tenured	\$40,000	70	\$2,800,000	70%
	Total	100	\$5,350,000	100%
		Unit Cost	\$53,500	

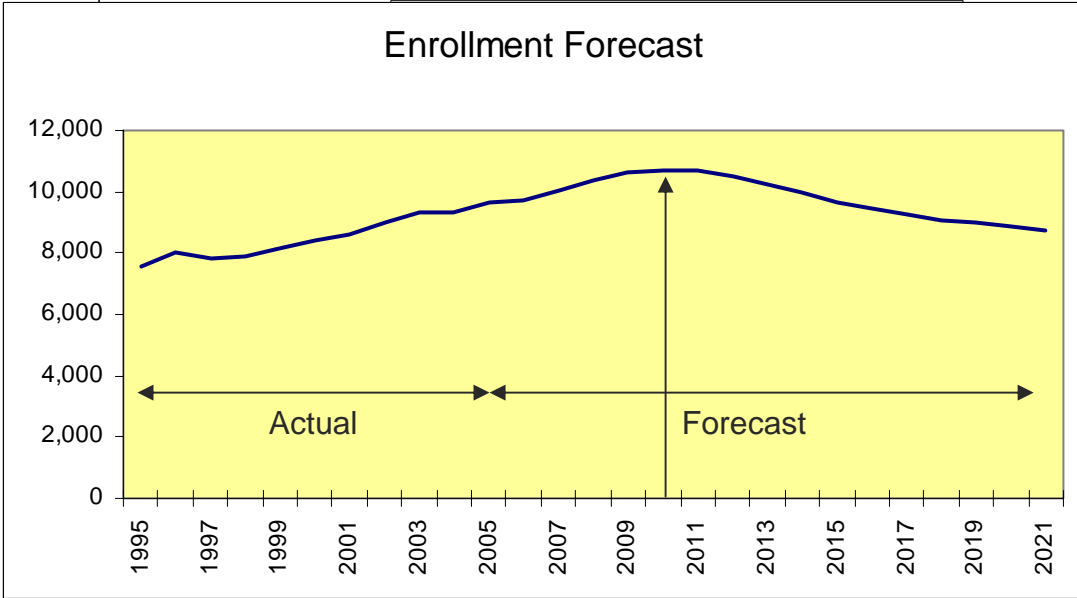
How does the Baby Boom Era Affect Faculty Mix?



Demographics and Freshmen FYES



NMU has a potential enrollment peak in 2010



Goals

“The world is changing, and we have to change with it if we want great jobs and a great future for our families.” **Governor Granholm**

Higher education is about more than individual gain. In the international world of the future, our standard of living and America's place in the world will depend on a nation of people who are better and more fully educated than ever before. **American Council on Education**

We accept the challenge:

- Internationalization
- Academic Service Learning (Superior Edge)
- Entrepreneurship
- Translational Research
- A curriculum that nurtures *independent* thinking

We cannot achieve these goals through faculty productivity.

Action Plan – Support

- Reduce faculty productivity to 20.0 FYES per FTETF
 - 3-5 year goal
 - Represents approximately 60 additional FTETF
 - Appropriate Faculty Mix
 - High Quality Instruction
- Look to the overall University budget for reallocations that, together with an *appropriate* faculty mix, will achieve the target.

Budget Models

- Governor
- Legislature
- Michigan's Economy