



UNM

*Office of the President*

**UNM Senior Administrative Retreat - Meeting Summary**

Friday, July 14, 2017

8:30-9:00 am	Breakfast
9:00-11:30 am	Presentations
12:00-1:00pm	Lunch
1:00-1:30pm	Group discussion

**Attendees**

Chaouki Abdallah  
Normal Allen  
Abra Altman  
Dorothy Anderson  
Duane Arruti  
Terry Babbitt  
Nicole Dopson  
David Harris  
Richard Larson  
Gabriel Lopez  
Ava Lovell

Liz Metzger  
Chamiza Pacheco de Alas  
Brian Pietrewicz  
Mike Richards  
Paul Roth  
Janice Ruggiero  
Chris Vallejos  
Libby Washburn  
Craig White  
Amy Wohlert  
Rich Wood

## Welcome and Introduction from President Abdallah

- Would like to start the seeds of a plan that will be transformational for the university
  - Zero in on a few challenges and opportunities
  - In about 12-18 months would like to present the recommendations to the Regents
    - Regents would like to be a part of the re-engineering process.
  - Share information about challenges and come together as one unit
  - UNM is like the United States (“United States of UNM”) and when we come together, we should do so as one unit
  - Why are we doing this? The current state is unsustainable. Challenges include:
    - Public higher education, especially with a selective, narrowing market
    - Financial, structural & social pressures
    - Demographic trends & shifts – student population is changing – market has shifted
    - Stable for traditional, freshmen who are starting, but there is no growth
    - Socioeconomic & political
    - New trend in opinion of many politicians that public education is not efficient and/or wasteful
    - Changing natures in students’ educational needs
    - Colleges are not ready for changing students’ needs
    - Trends in the science of learning & technology
- Two types of challenges
  - If you ask people, what is UNM? Why do we exist?
    - Lots of different answers, depending on who you ask: education, cheap, entertainment, sports
    - If we don’t agree on what we should be doing, then how can we do it?
  - Even if we agree, sometimes we don’t have the resources to be all these things  
Difficult to get everyone on the same page because there are many different areas of focus, without everyone knowing the full picture.
- We may not be able to figure it out today, but we need to agree on a common goal.
- Many issues are different between main campus and HSC, but many are shared. Budget model is different. By sharing challenges today, we will see all are a part of the United States of UNM.
  - Answers and solutions are not simple.
- Chaouki’s Challenges
  - Responsibilities of president include everything, i.e. financial health, academic side, health sciences, athletics, public facing.
  - Regular discussions with Paul Roth help him understand the challenges at the HSC. Need to work together to understand the common challenges. Try to resolve things at that level. Same with Paul, David, Craig, etc. Regular discourse is needed to be able to see all the details, align interests, resources and manage internal & external issues.
  - Try to understand the long-term impact of changes

- Trying to start the conversation now, so that during budget season, we do not have to rely so heavily on the state's decisions. Simply adjusting to cut, after cut, after cut, is not sustainable
- Main campus survey of faculty
  - Very low morale
  - More than 50% of the faculty have been contacted or are actively looking to leave
  - Many are leaving or actively looking to do so
- Don't want to be in the same place again next year at the budget summit
- Would like to get to a place where we have a sustainable system and can give raises
- Today, we are discussing these things at the broadest level. After today, we will widen the circle and include others.
  - We have to conduct more research in order to learn from each other
- Today will be an honest exchange of ideas
- There's lots of research on this topic
- This should be an exciting intellectual exercise that we then need to turn it into action
- We have a very challenging time ahead, but instead of panicking, we should research, plan, and execute.

## **Presentations**

### **Paul Roth**

- Historical aspects of change at the HSC and the challenges that were overcome
- One example of change was in Basic Science Departments
  - Couldn't tell the difference between grants from one area or another
  - "Blew up" Basic Sciences
  - Took two years and was very painful
  - Had to involve a very inclusive process
  - Dramatic changes to research portfolio
- Compensation Plan
  - Base, supplement, incentive compensation at HSC
  - Very performance and achievement driven
  - Before, comp plan was just like main campus, where senior and new faculty were often paid the same
- It is imperative that faculty & staff buy into change. Otherwise, it is an exercise in futility
- HSC Budget
  - Total is a little over \$2 Billion
  - 80% clinical, 20% tuition
  - Must focus on marketplace to compete
    - Incentives and infrastructure is based on that
  - Academic/teaching core, but clinical enterprise is the 800 lb. gorilla
- Unless you can articulate the reason (the "why") change is an exercise in futility
- Mission: excellence is transforming UNM into a great place to work, learn and receive care

- Faculty satisfaction was at 1%, very low nationally for academic excellence, among outsiders and based on many things. It was that low for a while and there were significant efforts to correct it, but it continues to be a challenge.
- Physician advisory group came to leadership and told them they couldn't take it anymore; they were paid below the 25th percentile nationally, but the stress associated with being able to deliver care and the lack of ease was overwhelming
  - Decided they had to do something radically different
  - Contracted with a national outside group and over the last 18 months, did everything they recommended, i.e. radical changes
  - Changed the way faculty interfaces with leadership
  - Entire health system is managed differently
  - Faculty, for many years, felt like guests at the hospital, since the two are separate and the hospital set all the rules – this was a major contributor to the faculty's lack of satisfaction in their jobs
  - Restructured the way department chairs interfaced with hospital counterparts
  - Effective July 2, 2017, hospital administrators can't make major decisions without concurrence with their HSC counterpart and vice versa. Major decisions (hiring, firing, etc.) are now made together
  - This type of change will take at least two years of solid work and lots of resources
- One thing that came out was that it takes way too long to make decisions; these decisions impact patient care
  - Part of the initiative was to force decision-making to the lowest part of the organization – so that decisions are made more rapidly
  - \$1M/year invested in Mission: Excellence
  - IT system is used to flag unresolved issues, to limit the time they take and force decisions to be made more quickly

### **Craig White**

- Asked Dean's Council Meeting about challenges
  - Budget – constant cycle of learning to do less with less
  - Difficult to strategically regroup
  - Hiring freeze has affected the strategic process because attrition is not strategic
  - Communication is important – lots of uncertainty. An area to continually work on
  - Non-financial things that can be done
    - Service requirements - restructure search committees and other service burdens on individual who are often used for this purpose
    - Community concerns, i.e. safety, how can we be a part of the solution
    - Economic development, opportunities to connect with the community
  - Faculty know they have to be part of the change
  - Opportunities
    - Online education – change in learning environment

- International programs, like those with China (ASM), where they have high demand and not a large enough higher education infrastructure
- Reorganization of the Provost's Office – 5 people leaving at the same time brings challenges and opportunities
- Some areas in Academic Affairs need to be changed and modernized, where the world has moved in a different direction
  - Great example is UNM Press, where business model needs to be changed and modernized

### **David Harris**

- Since 2008, there have been numerous financial challenges, too many to count
- In the last year alone, there have been 3 severe financial shocks
- Every year we've had one of these financial challenges, we've had a top-down solution, which really did not play out as planned internally
- This year, with the Budget Leadership Team, we put a lot of effort into nurturing a better group and coming up with better outcomes
  - The purpose of the BLT was intended to nurture more input and get broader acceptance of solutions
  - The level of resistance to change seemed to be lower than in the past
- The future, financially, is not as bright as we'd like it to be
- Terry Babbitt has come up with innovative, cutting edge solutions to our tuition model. He should be commended
- From the state perspective, the next governor and administration will have the same budget issues that the state faces now and will be equally challenging. What Congress does with Medicaid, given that half of our population is on Medicaid, will likely create a situation where more cuts will be made. We will likely continue to deal with this as we go forward
- The way that we have developed the budget, in a collegial manner, is a very good approach. We will continue to do it this way.

### **Introductions**

Each person introduced themselves by name, area and position

### **Richard Larson**

- Why we have an AHC (Academic Health Center)? Why don't we have separate schools, colleges and hospitals?
  - To relieve the burden of disease on society
  - A few dozen institutions educate the workforce of tomorrow
  - Bring all new innovation into the system, i.e. practices, financial models, new state-of-the art-technology
  - Drives healthcare forward
  - Has to operate in a hybrid model
    - In the marketplace and very competitive

- At the same time, acts as an academic institution, where we educate the workforce and bring new research and findings into place
    - Operate as an engine for community and economic growth
    - Part of a broader academic institution and plays a role in leveraging those activities
  - Missions
    - Research & education – directly relate to clinical activities
    - Clinical platform is the educational platform – not always classroom, but actual hospital/clinic
    - Research platform – actually in/related to clinical platform
    - Nature of research, although it has great breadth, it is narrower than what you see on a university campus
      - Drives improved healthcare
  - HSC in 2025, or sooner
    - Flipped classrooms and clinics – dramatic changes
      - Most education outside of the classroom and
        - Classroom is used to do assessments and help students progress
      - Most healthcare outside of the clinic
        - Come to clinic for coaching
    - Virtual reality and on-demand learning
    - Problems with disruptive technology in clinics and classrooms
    - High resolution health through integration of research
      - Precision medicine – genomics, social and environmental determinants of health
    - Healthcare is an area that is growing, along with technology and biotechnology, which will lead to a broader role in economic development
  - UNM is a research university
    - Lots of advantages over 4-year universities
    - Brings research activity into the academic platform
    - Improvements in society
  - SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis
    - Strengths
      - On-campus learning, faculty (more than any other institutions in NM and possibly in the region), research, scholarship, public & non-profit organizations
    - Weaknesses
      - Productivity, price moderation, data (big challenge), growth by substitution
    - Opportunities
      - On-campus living, in-house learning, incentives/salaries, communicate value proposition, financial models, campus climate vs online learning, student success
    - Threats/Challenges

- Marketplace – major competitor is online learning
  - Lack of political confidence
  - Lack of reforms
  - Economy
- Key Common Opportunities
  - Building campus culture of academic engagement and networking
  - Communicating value proposition
    - Only research institution in NM
  - Faculty pay and incentives
  - Efficiency and productivity
  - Technology in education platform
    - Flipped classroom, developing expertise, role of professor (not lecturer)
  - Value proposition beyond 4 yrs
  - Value of research to classroom
  - Strategically build spectrum of research
  - Supporting economic development
  - Building training/mentoring platform for junior faculty
    - Improve faculty satisfaction and morale
  - Recruitment of faculty
    - Diversity, start-up package (particularly for STEM-related faculty)

### **Duane Arruti & Brian Pietrewicz**

- Assigned the monumental task of dramatic change in IT
  - Mission of IT: UNM IT provides effective and efficient information technology and services to advance UNM's educational, research and service mission
    - Trust, quality, responsiveness, transparency, communication, empathy, accountability
    - Strategic plan
    - Aligning IT services to meet the needs of academic, research and administrative needs
    - Improve reputation
    - Increased communication
    - Improved service delivery
  - Approach
    - Spirit of "do no harm"
    - Orgs have built resources around their needs, which may specifically include IT expertise/positions
    - Don't break what is working
    - Try to understand what is working and what is not
    - Identify, along with colleagues, opportunities for improvement
  - IT Distribution – combined IT unit
    - IT officers – lion's share of main campus and branches, includes IT org, former extended learning group, number of colleges and admin areas

- Guest – those not formally part of the IT org but are at the table and talking
  - Liaison – looking for opportunities for improvement and alignment at branches & VPR
  - Great progress in engaging campus community
- Transparency and communication
  - Critically important
  - Communication plan will be much more engaged
  - Cross-campus engagement
  - Transparency portal, allows access to current and upcoming projects
  - Communicating with all areas, departments and centers
  - New faculty, staff or student will receive communication
- Strategically align with academic, research and administrative missions
  - Hired Associate Director for Campus Outreach and Engagement who will lead IT officers across campus, creating one team
  - Exist to support missions of the university
  - Established academic, research and administrative advisory and governance boards
  - Center for Advanced Research Computing
    - Data center consolidation
    - Virtual infrastructure
    - IT Champions
- Building a foundation for execution
  - Depending on departmental needs
  - Delivery of services much faster than in the past
  - Public & private cloud services
- Re-engineered service delivery
  - Greatly improved first contact resolution (help desks solves problem) – redesigning that process
  - Automated workstation management to decrease time/resources to roll out large numbers of new machines
  - Lobo Cloud – consolidating servers across campus so that departments don't have to have to purchase and maintain servers and backup
- Improve security
  - Implement improved security measures
    - Phishing mitigation, directory info, consistent website look/feel, infrastructure, email forwarding
- Tracking efficiencies and financial savings
  - Licensing, data center consolidation, automation, negotiate purchases
  - ~\$1M in savings to date
  - Huge potential for recurring savings, largely in coordinated purchase of machines
- Simplify IT funding model
  - Team looking at simplifying IT funding model

- Review of duplicate software/hardware licensing
- Review of IT student fees
- Standardize IT purchasing process
- Working with other NM higher ed institutions to provide IT support, especially in rural areas where it's difficult to find qualified expertise
- Using IT to leverage strong partnerships across campus

### **Terry Babbitt**

- Academic Affairs enrollment & analytics
  - Reorganization
    - Several departures provided opportunities to consolidate and increase efficiency
    - Enrollment Management
    - Extended Learning
      - Focused on online programs
      - Key area for improvement
    - Analytics
      - Strongest potential for opportunity
      - 15 projects at any given time, almost all related to student success
      - Platform where big data advances moving along quickly
        - Massive platforms for machine learning, plugging in a large amount of data and getting results
    - Continuing Ed
      - Model at a major university that is working well; lots of opportunities; could be an innovation hub
      - Missed opportunities
    - Nicole Dopson oversees administrative, budget, operations and support. Manages MOUs, assists in meeting online program goals
  - Enrollment challenges and opportunities
    - Challenges
      - Demographics
        - Declining population in NM, worst in our region, decline in adult learners
      - Student outcomes
        - Imperative (although this is improving)
        - Better tracking & data on student outcomes after graduation is needed
      - Competition
        - Increased recruitment nationally
        - Competing for a decreased number of students
        - Safety concerns in ABQ
    - 27,000 total students

- UNM needs 9,000 new students needed each year (undergrad & grad) to stay at the same enrollment levels: We graduate 5,000, and lose 4,000 to attrition (needs to decrease)
- Really difficult, volatile model to sustain
- Hungry, hard to feed, with low demographics
- Opportunities
  - Adult learning (veterans)
    - Need an additional 3,000 - 4,000 students
  - Achievement gap
    - Look at top models in higher ed
    - Federal financial aid is ~\$150M at UNM & \$37M at HSC
      - Biggest driving factor
    - Must have positive student outcomes
      - Improvements now are a result of painful, difficult changes made 6 years ago
      - Need to serve students well
  - Consider alternative pathways
    - Competency-based
    - Credentials, certificates
  - Friction reduction
    - Make it easier and more seamless for students to be successful in navigating UNM
  - International
    - Must be strategic
    - Recent investments have had positive impact, but not given us expected ROI
  - Advanced techniques & tools
    - Data analytics and machine learning platforms will inform success efforts and increase success

### Mike Richards

- In order to run an academic medical center, you have to own a large clinical system that you own and run or partner with
  - We own and run our clinical delivery system
    - \$1.4 billion, 8,000 people, approaching 1M clinical visits per year
    - UNM is a moderate sized academic medical center
    - Size and population of NM limits us in training programs we can have
      - Cardiothoracic surgery – not enough population/demand to support a training program in NM
    - Classroom for students, lab for innovation, and economic engine
- Economic model is undergoing unprecedented transformation
  - Better care, better health, for lower cost
    - Non-partisan initiative

- Driven largely by public insurance
    - Medicaid 45% / Medicare 15% = 60% of all patient volume
  - Name of the game is bringing costs down
  - Ongoing revenue pressures
- Delivery System has to change
  - Economic model must fundamentally change
    - Current model
      - Fee for service
        - In a transition
      - Very transactional
      - Adjusted based on quality, patient experience & efficiency
    - Rapidly/precipitously moving into risked-based care
      - Fixed amount of money, no matter how/where you spend, including social services, prescriptions, everything, which are not currently included
        - Health outcomes and maintenance driven
        - Centennial Care (program used to pay for Medicaid ~15% of patient visits)
          - New requirement that by the end of 2017, percent of Medicaid spend has to be moved to this health maintenance risk model
            - Only way to get to this is to go after the big healthcare systems, like UNM
            - 16% in 2016 to 23% by end of 2017
            - Far less than 1% of revenue
            - By end of 2017, 50% of revenue
            - Academic medical centers traditionally are not positioned for this
              - High complexity, high cost care
            - Focus will be shifted toward primary care
            - Lots of opportunities for relationships with other types of hospitals, i.e., rehab hospitals
  - Currently, \$436 is spent per capita on Medicaid
    - \$237 is acute care and primary care
    - \$199 is nursing facilities, social services and behavioral health
    - Total spent will our responsibility, even though it will happen outside of our delivery system
  - Primary care delivery system will be the focus, which is not currently the case at UNM
    - Currently specialty focused
    - Create relationships w/primary care physicians on an unprecedented level

- Create relationships with social service hospitals
  - Build clinical programs with rehab hospitals
- Shift in focus, but lots of opportunities
- We are currently focused on care of individuals, but need to focus on care of groups of people in the future
- Multidisciplinary healthcare teams who will care much more about patient compliance, because we are taking on the risk and if they don't comply, it will come out of our pocket
- As an academic medical center, this is a major change – could lead to 10-30% decrease in revenue if we don't change the way we deliver
  - Lots of things we can do to help mitigate this
- Premium pricing for an academic medical center is quickly eroding – no longer differentiated from non-academic medical centers
  - Must pursue lower cost options
- Building relationships & reengineering academic approach
  - Help grow their clinical programs, i.e. providing doctors
  - Skilled nursing, rehab, etc.
  - Required for workforce of tomorrow
  - Train doctors that are aware of social determinants of health
- Measurable improvements are possible if we really focus on patient behavior

### **Dorothy Anderson**

- Biggest challenge within HR is staffing, compensation, keeping benefits, and what can be done in this budget environment
- No-cost initiatives to improve benefits
  - EHP wellness ambassador program
    - Passionate employees serve as advocates for healthy living
    - Expanding our benefits to all of the campuses
    - 57 employees across north and main campus (not too successful at branch campus)
  - Financial wellness program
    - 2-day seminar of experts
    - Employees allowed to take time out of workday to attend
    - Comfortable, group or online setting
  - HR staffing: shared service center – coming soon
    - Efforts to right-size staffing levels have led to reduced number of dedicated resources in departments for hiring

- Full-service staffing model or a-la-carte services menu for specific departmental needs
  - Cost effective
- Compensation practices for non-union staff – coming soon
  - 2016 study that evaluated compensation guidelines and made recommendations – halted by budget cuts
  - In FY18, bring forward some of the recommendations from this study
    - Look at comp practices and figure out how to recognize employees throughout the year
    - Recruit high-caliber people

### **Nicole Dopson and Norma Allen**

- BLT redesign
  - Added subcommittees
    - Tuition and fees, branch campuses, long-term strategic planning
  - Made recommendations for tuition and fee structure, which was submitted to the Regents
  - Working on work plan for FY19 for president
    - Challenging budget year
    - 99% of our I&G budget is state appropriations and tuition
  - Collaborative effort with campus-wide representation
  - Subcommittees of BLT will be key for long-term strategic planning
    - Research is being done on recommendations for tuition model
    - Web focus report to help support efforts of tuition sharing committee both on main campus and for HSC

### **Ava Lovell**

A new vision for the workforce of HSC

- Shared concerns – staff & financial efficiencies
- Portfolio
  - 1850 FTE in 100 departments on academic side
  - \$135M in staff salaries and benefits
  - 1% savings or increase avoidance is 18.5 FTE or \$1.35M
  - More engaged and higher performing employees
- Re-engineer staff performance management process
  - Produce measurable and meaningful goals for all employees
  - Cultural shift to raise expectations
- Incentive pay for staff
  - End internal equity situation
  - May never see legislated staff salary increases
  - Incentive or “accomplishment-base” pay
  - Current Internal Equity (UAP 3500) hinders hiring excellent candidates

- Job descriptions/classifications/grade is hindering the ability to eliminate positions and re-distribute work

### **Gabriel Lopez**

- Faculty issues in research
  - Low morale from no salary increases
  - Concern about level of research support
  - Losing research communities
  - Faculty are leaving or just check out on research all together
  - Vicious cycle of discouragement
- Most pressing need – new resources of income or stimulus to keep faculty here and to provide good startup packages to recruit new faculty
- Uncertainty in federal funding for research
  - More active in identifying funding opportunities on a federal level
- Re-engineer university long-term
  - New skills at the ground level
  - More emphasis on helping local pre-college educational systems
    - Presence in schools
  - Emphasis on working with industry
  - Enhanced opportunities for experiential learning
    - Students in labs, industry, and k-12 schools
    - Promising programs that help k-12 succeed in college
      - College of Education helps students succeed in math

### **Group Discussion**

- Similarities between HSC & main campus are striking
  - We don't get to price our products/services/tuition
  - Challenging to control student preparedness & patients
  - Need for friction reduction
  - Constant need to deliver services more efficiently
  - Pay is below national average in NM, with several exceptions
- Service-Blue Printing
  - Focus on the services we provide from the point of view of users, not service providers
  - Reduce friction points for our students
- Data about students
  - Lots of data, but not a lot of information
  - Need to extract information from the data
- Leverage relationships
  - Effective networking internally and externally
- Morale, culture, expectations
  - Improve communication
  - Help staff see where they fit in

- Allow more flexibility in processes
- Providing a unified/united front with board of Regents will be beneficial to us
- Regents do care what the community thinks
- Be smart about what we can get accomplished

### **Rich Wood (Observations)**

- Overlap between HSC and main campus, but also struck by differences
- Professional education and nuances of high education
  - Challenging to introduce changes in traditional education paths, i.e. engineering, med school, etc.
  - Adapting to external pressures, like a state that starves public schools and relies heavily on the public sector for jobs
  - Be realistic about what is possible
    - Potential national prominence for diversity and professional training
    - Women in STEM, diverse populations thriving
    - Meeting challenges based on limitations in resources
    - Using time more wisely and efficiently

### **Group Discussion**

- Trends
  - Questioning the benefit of higher education
  - Distrust of institutions
- UNM could be the leading university for minorities, not just Hispanics
- Business models need to change everywhere
  - Budget models are not sustainable
  - More partnering to leverage resources
  - Transform revenue model
  - Understand that decisions in one area affect other areas
  - Not going to be easy or simple
  - Sometimes we don't even know how many areas will be affected by one change
- Higher education is a service industry
  - How much hands on recruiting is there at UNM?
  - Our largest competitors are in AZ – ASU
  - Processes need to have adaptability
  - Online education is a way to increase revenue
  - Recruitment strategies and improved applicant pool
  - People in NM who can afford to leave, go out of state and want to get out of Albuquerque
  - Need to widen our recruitment pool out of state
- Areas where we can centralize will help us save money
  - Must be careful to do it with the best interests of departments
  - Build communication
  - Financial, IT

- New revenue sources to offset continuous cuts from state
- 20% out of state, 80% in students currently
- International students are down (national trend)
- 3200 freshmen recruits
- Long-term outcomes for jobs in NM aren't good
  - Most graduates go out of state
  - If they stay here, they can't pay their loans because they make \$20k – not seeing ROI
- Leverage our proximity to CNM and our relationships with other universities in NM
- There are things we can control within the institution, if we get buy-in. Impossible to control externally
- Three Main Opportunities
  - Online education
  - Adult or non-traditional learners (veterans)
  - International (micro-campuses) with reputable schools, using our intellectual capital and infrastructure
- Challenges
  - Budget has to have a pad for years when enrollment is down
  - Marketplace can be very volatile
  - Competition is ruthless
    - Too many schools in our region for our population
- In healthcare, there are destination medical centers
  - UNM could be a regional center of excellence in a particular area that would bring international students to focused programs
- Business school is growing, but others are flat or shrinking
  - Could build a regional center of excellence in business
- Wondering if studies have been done to look at the trends in student demand
  - There are studies that show the skills people need, but not the jobs
  - No one can predict the jobs of the future
- There is demand for programs that we aren't addressing, but that is okay
  - Areas where we are really lacking are the credential programs, master's programs and post-master's certificates
- We are a public research university – financial burden
  - How do we spin this into a benefit, rather than a burden?
  - Research does not directly benefit the university financially, but instead benefits the population, business, technology
  - Education is higher quality because of research
    - Value of education increases, but you can't directly price it
  - 30% of faculty time should be spent on research, which means a non-research institution can potentially run on 30% less funding