


APPA Institute for Facilities Management

The Business & Culture of Higher Education

Donald Guckert, P.E., APPA Fellow
Vice President, APPA Advisors
dguckert@appa.org
APPA ADVISORS



1


Objective

Through an increased understanding of the cultural and business drivers in higher education, facilities managers will serve as more effective stewards and service providers.

2

Outline

- Mission of Higher Education
- Governance
- Key Performance Indicators
- Academia
- Business & Funding



3

Mission of Higher Education

4

Mission of Higher Education

What is the mission of your institution?

Mission is important for alignment.

5

Mission Statements

Upon founding The University of Iowa in 1847, Iowa's first legislature entrusted it with a threefold mission of teaching, research, and public service.

The mission of The University of Texas at Austin is to achieve excellence in the interrelated areas of undergraduate education, graduate education, research, and public service.

The University of New Mexico will engage students, faculty, and staff in its comprehensive educational, research, and service programs.

6

Mission Statements

Portland Community College advances the region's long-term vitality by delivering accessible, quality education to support the academic, professional, and personal development of the diverse students and communities we serve.

Waynesburg University educates students to make connections between faith, learning and serving so they might faithfully transform their communities and the world. As a Christian comprehensive University, we strive to inspire and challenge every undergraduate and graduate student to a life of leadership and purpose for the glory of God.

7

Mission Statements

While teaching (learning), research (discovery) and public service (engagement) are fundamental missions, the degree to which your school focuses on these varies according to the type (or classification) of the institution.

8

Land Grant Universities

By the Civil War, an expanding population and rapidly developing agriculture and industry inspired a change.

In 1862, President Abraham Lincoln signed the Morrill Act, providing for the donation of public land to the individual states.

Funds from the sale of these "land grants" were to be used to create institutions to teach agriculture and the mechanic arts to the American masses.

9

Land Grant Universities

The purpose of the (Morrill Act) land-grant colleges was:

"without excluding other scientific and classical studies and including military tactic, to teach such branches of learning as are related to agriculture and the mechanic arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life."

10

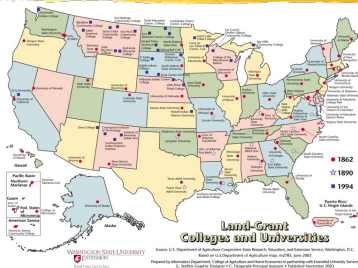
Land Grant Universities

The land grant system encompasses three major missions: objective or unbiased research (done by the Experiment Stations), non-formal education and information dissemination (carried out by the Extension Services), and classroom or college instruction (taught at each land grant campus).

But the major distinguishing responsibility is for "outreach" to the general public.

11

Land Grant Universities



12

Higher Ed Classifications

The Carnegie Foundation for the Advancement of Teaching, an independent policy and research center, was chartered in 1906 by an act of congress and is credited for other achievements to higher education such as TIAA, federal aid (Pell Grants) and standardized testing.

Developed in 1973, US colleges and universities are classified within the widely recognized and accepted Carnegie Classification of Institutions of Higher Education.

Statistics Canada's Centre for Education Statistics (CES) is a similar system for classifying institutions.

13

Carnegie Classifications

Special Focus Institutions (850 listed)

Institutions awarding baccalaureate or higher-level degrees where a high concentration of degrees (>75%) is in a single field or set of related fields.

14

Carnegie Classifications

Associates Colleges (1,920 listed)

Institutions where all degrees are at the associate's level, or where bachelor's degrees account for less than 10% of all undergraduate degrees.

15

Carnegie Classifications

Baccalaureate Colleges (809 listed)

Institutions where baccalaureate degrees represent at least 10% of all undergraduate degrees and where fewer than 50 master's degrees or 20 doctoral degrees were awarded during the year.

16

Carnegie Classifications

Master's Colleges and Universities (727 listed)

Institutions that awarded at least 50 master's degrees and fewer than 20 doctoral degrees during the year.

17

Carnegie Classifications

Doctorate-granting Universities (297 listed)

Includes institutions that awarded at least 20 research doctoral degrees during the update year.

18

Governance

19

Board Governance

Universities and colleges are governed by boards

Board members are either appointed or elected

Individual board members can exercise significant influence over specific university matters

Boards delegate authority over the day-to-day operation to the president or chancellor

20

Administrative Structure

Universities and colleges generally organize themselves in similar manner, centering on their:

- Principle asset (Provost's Office)
- Customers (Student Services or Student Affairs)
- Operations (Finance & Administration/Operation)

Of all the positions reporting to the university's president or chancellor, the provost is best positioned to advance.

21

Shared Governance

Legal authority originates from our governing boards and they formally delegate authority over the day-to-day operation to the president.

The president delegates authority over certain parts of university management to other officials.

Shared governance has evolved to include more representation in the decision-making process.

22

Shared Governance

The 1966 "Statement on Government of Colleges and Universities" affirmed the importance of shared governance and state some common principles:

- American Association of University Professors
- American Council on Education
- Association of Governing Boards of Universities

Promotes faculty participation in material matters governing the University.

23

Shared Governance

Principles of shared governance take on different degrees among institutions.

Shared governance should be understood, respected, and leveraged by our profession.

24

Metrics and Key Performance Indicators

25

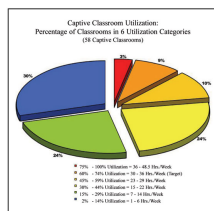
Business Metrics

Higher education's goals and outputs are notoriously difficult to quantify. Without bottom lines by which they may be measured, colleges tend to be evaluated by the extent to which they cohere with existing expectations of what a legitimate college ought to be.

The Chronicle of Higher Education, August 19, 2009

26

Classroom Utilization



Syracuse University Captive Classroom Utilization

27

Classroom Utilization

Space Use Code	Space Use Description	NASF (All Space)	% of Total (incl. residential)	% of Total (residential)
000	Unclassified Facilities	203,507	2.63%	2.29%
100	Classroom Facilities	356,530	4.61%	3.93%
200	All Laboratory Facilities	1,538,374	19.87%	16.99%
210-225	Teaching Labs	371,843	4.80%	4.10%
250-255	Research Labs	1,166,531	15.07%	12.89%
300	Office Facilities	1,887,469	24.31%	20.91%
400	Study Facilities	947,792	12.28%	10.44%
500	Special Use Facilities	1,189,816	15.37%	13.11%
600	General Use Facilities	778,618	10.00%	8.58%
700	Support Facilities	1,164,305	15.04%	12.83%
800	Health Care Facilities	65,206	0.84%	0.72%
	Subtotal:	7,741,617	100.00%	
900	Residential Facilities	1,333,813		14.79%
	TOTAL NASF:	9,075,430		100.00%

28

Freshmen Retention Rate

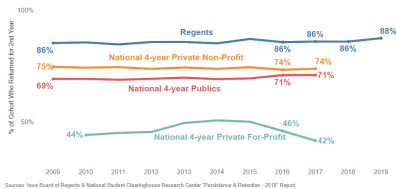
Public community colleges: 53.7%
 Private liberal arts colleges: 69.6
 Public research universities: 72.9%
 Private universities: 80.4%

National average for all schools: 65.7%

29

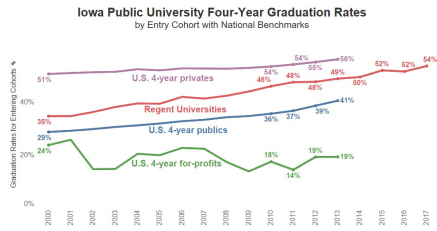
Freshmen Retention Rate

Undergraduates Who Return for a Second Year at Same College by Institutional Type



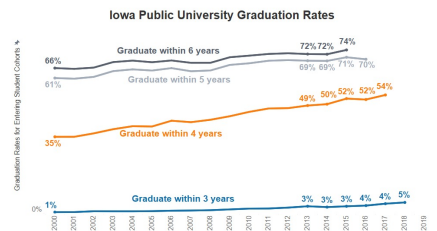
30

Freshmen Retention Rate



31

Freshmen Retention Rate



32

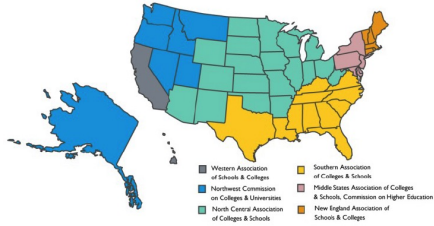
Accreditation

Accreditation ensures that the education provided by institutions of higher education meet acceptable levels of quality.

Accrediting agencies are private educational associations of regional or national scope.

33

Accreditation



34

Accreditation

The accrediting agency, in collaboration with educational institutions, establishes standards.

Ensures that the education provided by institutions of higher education meets acceptable levels of quality by verifying that the institution or program meets established standards.

35

Accreditation

Assists prospective students identify acceptable institutions

Assists in determining the acceptability of transfer credits

Creates goals for self-improvement of weaker programs

Stimulates a general raising of standards among institutions

36

Accreditation Procedures

In-depth self-evaluation study measures performance against the standards established by the accrediting agency.

Accrediting agency selects team to visit institution to determine if the applicant meets the established standards.

If applicant meets its standards, the accrediting agency grants accreditation or pre-accreditation status.

37

Academia

38

“Typical” Faculty

- Intelligent, confident and curious
- Generally “independent cowboys”
- No budget, no staff, and no boss
- Limited interactions w/administration
- First loyalty is to their field, not to their institution
- The campus is just a place to do their work
- Insular and not informed about business operations

39

Faculty Rank & Promotions

Distinguished Professor (usually a "Named Chair")
Professor ("Named Chair")
Professor ("Full Professor")
Associate Professor
Assistant Professor
Assistant/Associate Researcher I or II or III
Lecturer and Senior Lecturer
Instructor
Adjunct Professor, Lecturer or other Faculty Rank

40

Tenure

Rooted in academic freedom; allows faculty to explore and to be controversial.

The intent of tenure is to allow original ideas to be more likely to arise, by giving scholars the intellectual autonomy to investigate the problems and solutions about which they are most passionate, and to report their honest conclusions.

41

Tenure

DoE statistics put the combined tenured/tenure-track rate at 56% for 1975, 46.8% for 1989, and 31.9% for 2005.

Tenure is an intensive formal review of the candidate's record of research, teaching, and service.

42

Tenure

In 1940, the AAUP recommended that the academic tenure probationary period be seven years—still the current norm.

Facilities professionals need to recognize the “publish or perish” pressures that are placed on young faculty

43

Business & Funding

44

General Education Fund

The organization of the various business entities within our colleges or universities fall into two basic business models:

General Fund, General Operating (GO) or Education & General (E&G)

Auxiliaries – a.k.a Auxiliary Enterprise

45

General Education Fund

Tuition & Fees
State Appropriations (where applicable)
Indirect Cost Recovery
Endowments

46

General Education Fund

The operating model/fund supporting education and research

Supports the services that support education and research

Does not support auxiliaries that are self-supporting

Understanding what is and isn't supported by the general fund is key to our business

47

Auxiliary Enterprises

The operating model/fund supporting non-academic efforts

Funded from "fees for services rendered"

Are self-supporting business models

Should not drain resources from the General Fund

48

Auxiliary Enterprises

Largest typically found in Higher Ed:

- Hospitals & Clinics
- Intercollegiate Athletics
- Housing
- Food Services
- Bookstore
- Utilities
- Hospitality & Conferences
- Parking & Transportation

49

Auxiliary Enterprises

Generally operate on a break-even basis if not-for-profit

Able to reinvest in their business enterprises and borrow money through bond issues

Future income streams are pledged against the bonds

Operate very much like a private business

50

Charge-back or Recharge

General Fund units that charge for services like auxiliaries

Effective way to allocate expenses

Recharge services common within facilities organizations:

- | | |
|--------------------|-----------------------|
| Key Shop | In-house Construction |
| Repairs | In-house Design |
| Trash Hauling | Grounds Services |
| Project Management | Other?? |

51

Endowments

At universities, typically 4-6% of the endowment's assets are spent every year to fund operations or capital spending.

This spending figure represents the proportion that historically could be spent without diminishing the principal amount of the endowment fund.

52

Research Direct Costs

The costs of conducting a specific research project, such as salaries, graduate student stipends, travel to scientific meetings, specific equipment, and supplies.

53

Indirect Cost Recovery

Also known as Facilities and Administrative (F&A) Costs

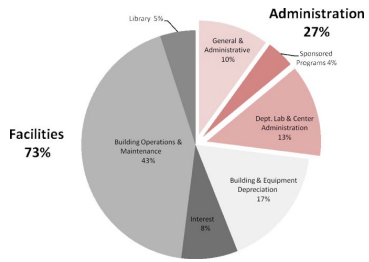
Costs are associated with general infrastructure support, including research facility construction and maintenance and utilities

Include expenses that cannot be attributed to a specific research project, but which are necessary for the conduct of research

Indirect cost recovery rates are negotiated

54

Indirect Cost Recovery



55

Don Guckert
Vice President, APPA Advisors
dguckert@appa.org
APPA | ADVISORS



56