

## Criterion Two Preparing for the Future

The organization's allocation of resources and its processes for evaluation and planning demonstrates its capacity to fulfill its mission, improve the quality of its education, and respond to future challenges and opportunities.

A major topic of discussion when groups of higher education administrators, faculty and staff get together is how much less we have to do our work. In a decade noted for its declines in financial resources, smaller labor pools and massive deferred maintenance Northeastern has more than survived, it is flourishing. The key is leadership at all levels who concentrate on possibilities not what might have been. Led by an administration consisting of a new President and three new Vice Presidents conversations began of how we can do more with less and provide the philosophical and economic leadership that Northeastern and the region needs. Evaluations, while interdependent, began on three levels Financial Resources, Human Resources and Physical Resources.

### 2a: NSU realistically prepares for a future shaped by multiple societal and economic trends

#### **Financial Resources**

(Use David Koehn's budget presentation showing five year projections and how we will be using resources. Compare with other regional budgets and their financial statements.)

(MD &A—use five year comparisons of what we thought we'd do and show what we really did. Account for decreases.)

(Investments being made to ensure no decline in enrollment-Branding Campaign—and research behind it, Smart Choice, Distance ED programs. Can stress the environment is supportive of innovation and change.)

#### **Human Resources**

##### Salary comparison—selected enhanced salaries—Optometry, B & T

The University Planning Group's motto of "Working Together to Chart the Second Century" has provided the basis for the use of Human Resources. Like many state universities, state provided support has decreased dramatically in the last decade. This has necessitated Northeastern reviewing the ways we recruit and maintain a qualified faculty and staff. Stagnant salaries and spiraling benefit costs have been the norm. To offset this, NSU looked to see which areas are being more dramatically affected. Two areas were identified: College of Optometry faculty and College of Business and Technology faculty. No longer were across the board pay increases achievable but additional resources were available to boost the replacement of a larger than anticipated retiring faculty from the School of Optometry. Salaries of remaining faculty were increased allowing recruitment salaries to be raised to be more in line with comparable universities. Staff salaries in crucial clinical areas of billing and customer service were also evaluated and raised. Likewise low faculty salaries in the College of Business and Technology were affecting recruitment and retention of vital positions. In a society which emphasizes knowledge careers, this college provides a vital way for students in this region to

compete in the business world. Again, salaries of current faculty were evaluated and increased, enabling more competitive recruitment salaries.

Even with this progress, the need for a more university wide approach existed. The purpose of the 2010 President's Council Retreat was to internalize our foundational framework into the operations with an outcomes oriented philosophy. One of the priorities identified from Strategic Goal 1--Creating a Culture of learning and discovery was the importance of recruiting and retaining a diverse, highly qualified faculty and staff, becoming a recognized employer of choice in compensation and resources. Consisting of a majority of university administrators the group formed the Comprehensive Compensation Review Committee. Representatives of Faculty Council, Staff Council, Dean's Council, and at large members would be facilitated by the Vice President for Administration and Finance representing the President's Cabinet. The level one charge to the group is to determine Northeastern's compensation gaps relative to benchmark institutions and other appropriate labor markets and devise a plan to narrow or overcome this gap within five years. The level two charge is to identify funds to provide some type of salary increase for faculty and staff in FY 2012. The plan is to determine the appropriate peer groups based on discipline or job family, conduct a market review of relevant jobs, develop a compensation plan based on an evaluation of NSU's positioning to the group, look to the future to devise an ongoing plan to stay competitive.

The university is maintaining its investment in people during a time of national movement in the area of employee benefits. The university has joined with other state universities to form buying groups to increase program effectiveness/reduce cost. IRS changed requirements of 403(b). NSU worked with RUSO schools to develop single point of contact vendor. State health insurance has increased premiums each year, while increasing employee out-of-pocket expenses. NSU joined with 11 other state institutions to form buying group. Contract curbed costs and reduced employee expenses.

A vital part of the retention of faculty and staff is the role of benefits in the total compensation package. Federal intervention in voluntary retirement savings and health care plans led Northeastern to join in a formal relationship with other state regional universities, four year institutions and community colleges in the formation of the Oklahoma Higher Education Employees Insurance Group for health, dental and vision plans and the RUSO 403(b) Savings Plan. These buying groups enable the university to become the driver of its own benefit plans instead of being dependent on state plans. The transition was accomplished in 18 months with a condensed employee enrollment of only 5 months. This major undertaking involved education of existing and retired faculty and staff. While not easy, the new plans are not only benefit to employees but also are building stronger collaborations with other state schools. (we have \$\$ and consultation reports)

**Planning process & multicultural society—expansion of staffing in international programs.**

Looking at providing a global experience for students has led to the revitalization of the International Student Program. Highly qualified leadership was hired and additional staff and resources were assigned. Teaching and student exchanges and study opportunities have expanded. Visiting scholars on NSU campuses have enriched campus life. (Richard Carhart can

elaborate). Expanded staffing is allowing expansion of recruitment of international students both online and in a residential setting. **Emphasis on Veterans programs, counselor added.** Another response to societal trends was the achievement of NSU being designated as a “Veteran Friendly Campus”. The development and availability of veteran specific housing, advisement and counseling services is NSU’s outward expression of desire to serve this population.

#### **Emergency Response team—training, change to Director of Public Safety**

In looking at Societal and Economic trends nothing is more obvious than the need to review and enhance campus security. Northeastern immediately went to work after the Virginia Tech incident and evaluated aspects of security on all campuses. A detailed emergency plan was developed, practiced and implemented. Resources of time, people and funding occurred not the least of which was moving the campus from a Chief of Campus Police to a much more encompassing position of Director of Public Safety . Ongoing evaluation to keep the plan in place continues. (citation of Emergency Mgmt notebooks and \$\$ resources).

#### **Physical Resources**

NSU recognizes our history and heritage by projects developed on campus.

(1<sup>st</sup> Century plaza honors our heritage with Cherokee Seminary museum and Sequoyah statue.)

(Redmen Wall celebrates our school identification and honors our Athletic past)

(2<sup>nd</sup> century plaza plans for a future where students feel freedom to express views and expand their cultural perspectives.)

Helpful documents to this section

Annual budget—and reports to RUSO/State Regents

Academic Priorization documents

Campus master plan

Budget Needs and Efficiencies documents

Weaknesses: Plan to increase resources

**2b: NSU’s resources base supports its educational programs and its plans for maintaining and strengthening their quality in the future.**

#### **Financial Resources**

Northeastern State University has a long history of fiscal conservancy. Through prudent management, fiscal conservation, and the generous support of public initiatives by our community partners, NSU has built a financial reserve that allows NSU to smooth the temporary peaks and valleys of state funding and enrollment changes. This stability is reflected in the standard operating ratios presented below.

Ratio	2009	2008	2007	2006	2005	2004
Primary Reserve Ratio	0.52	0.42	0.34	0.24	0.34	0.33
Viability Ratio	0.95	0.71	0.53	0.33	0.67	0.91
Return on Net Assets	0.61	5.11	9.79	4.23	6.30	7.22
Net Operating Revenue	-2.46	9.36	6.52	7.90	6.40	2.77

NSU's audited financial statements may be found on the NSU website at <http://offices.nsuok.edu/businessaffairs/NSUFinancialReport.aspx>.

Over the past several years, NSU has been the beneficiary of resources generated by the efforts of our community partners to increase access to higher education in their cities. A Broken Arrow sales tax initiative funded the first classroom buildings and administration building creating the Broken Arrow campus. This was followed by the inclusion of the Broken Arrow campus as one of the projects supported by Tulsa's Vision 2025 sales tax initiative. These funds were used to build two additional classroom buildings and the Library. The city of Broken Arrow followed by donating the land which had been leased to NSU for the campus to Northeastern.

One result of these generous gifts was that they allowed Northeastern the flexibility to invest the proceeds from new debt in addressing a large portion of the critical deferred maintenance issues on the Tahlequah campus. While NSU still has a large deferred maintenance liability, most of the primary classroom buildings each now have new roofs and windows and major mechanical systems have been repaired or replaced. Also during this time, Northeastern was able to construct a new Science Lab building and remodel a building to become a centralized location for services related to student enrollment.

As the economic recession was developing through 2009, an internal five year financial plan was developed to use the financial reserves to lessen the impact of reduced state and donor support and to ensure continued momentum toward meeting goals related to the institutional mission. This plan will be revisited annually and modified for existing conditions as the economic recovery unfolds. A copy of this plan may be found at \_\_\_\_\_ .

While total revenue available to Northeastern has increased over the past decade, there has been a substantial shift in the sources of that revenue. As reflected in the following table, the percentage of revenue coming from state appropriations has declined significantly. This has resulted in increases in the tuition and fees charged to students and in increases in Northeastern's efforts to generate funding through grant and donor opportunities.

## Education & General Budget Financial Highlights

Fiscal Year	% Tuition & Fees	% State Funded	Undergraduate Tuition & Fees rate	E & G Budget, Instruction	Budget per FTE
2001	22.5%	77.5%	\$ 66.05	\$26,012,759	\$ 3,859
2004	36.8%	63.2%	\$ 88.80	\$27,746,023	\$ 3,511
2007	39.4%	60.5%	\$116.30	\$35,227,912	\$ 4,509
2010	48.8%	51.1%	\$138.50	\$38,782,417	\$ 6,863

The determination of the amount of appropriated funding to be provided to Northeastern is developed through the annual legislative budget process. As a part of this process, a lump-sum appropriation is made to the Oklahoma State Regents for Higher Education. The board and its staff then use a budget allocation system based on historical academic program expenses and enrollment statistics to make the allocation to individual institutions. These allotments are developed using peer groupings of similar institutions.

In October of each year, the State Regents formally consider and adopt the budget needs to be recommended to the Legislature for the upcoming fiscal year. In preparation for this recommendation, NSU and other higher education entities respond to a formal budget needs survey. A copy of the budget needs survey for fiscal year 2012 may be found at \_\_\_\_\_. In completing this document, Northeastern establishes a funding request prioritization, indicating how any additional funds will be used. A new schedule included in the budget needs survey includes information about the impact of the loss of federal stimulus funds on the institution. Other schedules recognize expected increases in mandatory costs and detail cost savings realized or anticipated through control initiatives over a four year period.

The process to accumulate Northeastern's budget needs survey data includes a request to deans, directors, and executives to submit and prioritize information about the pending needs of their areas and cost savings initiatives both underway and planned. The information from these internal surveys is combined and compared to the strategic goals identified by the institution and external economic information to develop a comprehensive budget request.

The internal budget process for Northeastern begins with a determination of budget assumptions by the President and Cabinet. These assumptions are used as the starting point for discussion of appropriate tuition and fee recommendations. Simultaneously, the deans are surveyed for academic service fee needs related to specific costs associated with instruction of individual courses. Once revenue projections are established, the expenditure budget is developed with input from the operational units as guided by the strategic plan. These expenditure budgets are reviewed and modified as needed in discussions with deans, directors and Cabinet members.

As a part of the budget process and to provide better inclusion in the planning and prioritization process for capital projects, Northeastern has recently defined a procedure that asks unit managers to submit

capital need requests for consideration to the Cabinet. This process is intended to ensure that all needs are considered, to allow for the prioritization of capital projects in relation to the strategic goals of the university, and to provide for a more through planning mechanism to use toward addressing those needs. A copy of this defined capital projects process may be found at \_\_\_\_\_.

Prudent debt management has allowed Northeastern the flexibility to balance our capital needs with our need for financial reserves. Northeastern has cautiously taken on new debt to address both deferred maintenance and our need to enhance our academic programs.

Indebtedness

Year	Bond & Lease Liability	Projects Funded
2001	\$ 7,200,465	
2004		
2007		
2010		

**Human Resources**

(Emphasis on Employee Recognition Program, addition of new awards--Model the way, Circle of Excellence, quarterly events)

At the heart of supporting educational programs is supporting the people who work in them. This includes not only faculty but also staff and community members. Northeastern, since 2008 has revitalized and expanded its recognition efforts. Most notable of which is the addition of the President’s Model the Way annual award. Any employee or student is eligible to nominate those they believe exemplify service above self, timeless effort to promote the mission of the University and a sense of community and collegiality among their fellow employees. Announcement of the two faculty and two staff winners is timed so it becomes an exciting part of the Fall All University meeting. The award sets the stage for the upcoming years events, generates pride in achievements and acquaints new faculty and staff with possibilities. Each recipient receives a \$1,000 cash award with his or her name engraved on a plaque that resides in the Administration Building. Annually In the Spring semester, Academic Administrators and Faculty present Circle of Excellence awards to their NSU peers in recognition of outstanding achievement and dedication to teaching, research and service. Like the Model the Way recipient, the Circle of Excellence winners are displayed via trophy cases throughout the year as a way for students, alumni and visitors to catch a glimpse of the importance the university places on quality achievements. The NSU Alumni Association recognizes outstanding alumni each year. These serve as examples to current students, faculty and staff that indeed NSU students “Gather Here and Go Far”

On a lighter note, throughout the year Kudos are given by one employee to another (more than 120 each year) in honor of a task well job or work made easier. The honor of being the Grand

Kuhodo is given each year to the one employee earning the most individual awards. While this carries with it a customized Burger King crown, the job well done is celebrated by all.

Recognition of current students occurs through the achievement of scholarships and fellowships as they occur. Scholarship awards have risen to the current level below

Scholarships from NSU Foundation					
	2005	2006	2007	2008	2009
Number	603	646	622	647	689
Value	\$357,993	\$380,082	\$419,351	\$456,916	\$450,803

From NSU Foundation Growth 2009

A more general recognition of academic achievement occurs with the Honors Assembly in late spring while outstanding students awards are presented as a part of graduate exercises.

**(Analysis of programs expanded such as CTL, Continuing Education,**

Northeastern continues to evaluate the role professional development plays in strengthening our people and programs. The Center for Teaching and Learning fosters a culture of excellence in teaching and learning. To encourage research and scholarship, CTL provides awards and funding for Service Learning, Teaching and Learning Fellowships, Online Course Development Compensation and Videoconference Course Development Compensation. CTL also offers professional development workshops throughout the academic year, and post materials from these workshops and conferences. Expanding on the importance of this effort has the addition of an Assistant Vice President for Teaching and Learning and additional resources with which to grow the program and provide greater faculty development opportunities. Resources have been used to made available MAP

**(Add paragraph here on expansion of Continuing Education)**

Continuing Education presents professional and personal development to both internal and external audiences. A new Director search resulted in an upgrade to the program with more of an emphasis on serving the greater communities of Tahlequah and Broken Arrow. Defining Continuing Education as the “Front Door” to the university, the plan is to expand into more academic areas with a goal of building a sustainable model for our outreach efforts. The Regents approval for the development of the College of Extended Learning is being planned for non-traditional students centered on the Broken Arrow campus. This will be a multi-disciplinary approach to adult learning which is hoped to have an economic impact on the region which may reassign resources already in use through the Continuing Education program.

(Addition of Staff Training personnel—supervisory and staff emphasis major emphasis on Service Excellence, Management Training 101, on-line training providing quick re-training.) Administration at Northeastern also have recognized the need for personal development of staff in areas of supervision. The Office of Human Resources was expanded to include a position dedicated to emphasize this type of development. Courses of study in Management, Hiring the Best, Performance Evaluations have been provided in both group and one-to-one sessions. Availability of limited resources has not prevented the growth of this area. Annual re-education of all employees has occurred in areas of Sexual Harassment and Drug Free Workplace. Using existing resources, tutorials are available on Blackboard and accessible on an ongoing basis to serve as reminders of the basic procedures to follow when serving as a supervisor. Of particular note is the development of Service Excellence Values and Actions training. (curriculum outline is available as are testimonials of those using the course).

(College of Business has difficulty recruiting Accounting Faculty. University invested in existing faculty to complete cross-over training to meet Accounting requirements.)

The College of Business has developed a program “Growing Our Own” which provides an annual budget to support faculty by providing travel and tuition assistance grants in exchange for employment after completion of a terminal degree in a hard to fill discipline.

(Temporary increase in Student Financial Aid counselors to meet new needs due to Federal changes in Direct Lending.)

Program expansion is not always due to internal pressures and needs but sometimes result from external influences. Such is the case for the re-direction of resources in the Student Financial Assistance area due to federal mandating of Direct Lending to students. Our objective was to ensure that all students have continuous uninterrupted access to funding. The implementation of direct lending and year round Pell grants, came with additional job duties that had to be performed on a daily basis. After careful thought and consideration, Student Financial Services reorganized by designating a Technical Support Assistant from existing positions and adding both Direct Lending Technical Support and Processing Support positions. The University supported this reorganization by funding the new positions with the possibility of adding a delinquency/default prevention position as the need develops.

(Faculty credentials have continued to improve with efforts to meet new division accreditations.)



**From the Common Data Set  
Calculated in Early October Each Fall**

Category	Full-time				Part-time				TOTAL			
	2009	2008	2007	2006	2009	2008	2007	2006	2009	2008	2007	2006
Total number of instructional faculty	299	312	304	306	171	141	166	153	470	453	470	459
Total number who are members of minority groups	40	52	43	39	23	26	36	23	63	78	79	62
Total number who are women	143	146	137	140	87	74	91	93	230	220	228	233
Total number who are men	156	166	167	166	84	67	75	60	240	233	242	226
Total number who are nonresident aliens (international)	4	2	1		0	0	0		4	2	1	
Total number with doctorate, first professional, or other terminal degree	221	224	226	214	45	34	52	34	266	258	278	248
Total number whose highest degree is a master's but not a terminal master's	75	83	72	86	103	89	88	84	178	172	160	170
Total number whose highest degree is a bachelor's	3	5	6	6	22	17	25	34	25	22	31	40
Total number whose highest degree is unknown or other	0	0	0	0	1	1	1	1	1	1	1	1
Total number in stand-alone graduate/professional programs in which faculty teach virtually only graduate-level students	21	25	22	22	21	26	15	23	42	51	37	45

(Outline Staffing identifying degree levels, assistant, associate, professors. Relate to other institutions—how are we doing. Compare total number of under and graduate students with number of faculty with terminal degrees. Student/Faculty ratio, and increased spending in faculty See attached page.

**Physical Resources**

(Present Tulsa Plan 2025—expansion of BA campus—C. Jenlink getting info)

(Present NSU Master Plan—development of new structures, revitalization of science labs, outfitting of labs in BA)

(Show projects and funding—last ten years, current, future plans)

**Documents to be used**

- Campus master plan
- Dept 5-yr plans
- Strategic initiatives

## Weaknesses: Development of long-term implementation plans

2d: All levels of planning align with the organizations' mission, thereby enhancing its capacity to fulfill that mission. Beginning on December 11, 2008, the University Planning Group (UPG) was constituted to 1) integrate the academic and administrative units into the process of Charting the Second Century 2) refine and simplify the Vision, Mission and Core Values; and 3) Define a process for prioritizing academic and administrative programs and services. The initial charge was to maintain a substantial level of consistency with the 2006/2007 Strategic Plan goals, sub-goals and action plans; however, the changes initiated by the UPG and the leadership of this university have substantially altered the landscape. The Society of College and University Planning (SCUP) structure in conjunction with the SMART goal model were designated to guide the process. A key to the success of this redirection was "giving greater responsibility to the operating units in defining specific strategies and actions, measurements and timetables" which translates to decentralization decision making.

### Financial Resources

(Link planning documents with budgeting processes. Budget needs report.)

### Human Resources

The depth of planning is included in Criterion One but it is important to identify a few of the successful outcomes of multiple levels of planning that taken place at NSU.

(Emphasize success of Higher Ed Day at the State Capital, and the number of state legislators that are NSU grads—Jerry Cook has provided some information) The University Relations division of Northeastern is an energized example of fulfilling the mission. Planning often involves evaluating the best way to draw attention to university needs. We refer to this as "making our story known". NSU's obligation to be a growth engine for the Eastern part of Oklahoma translates to being known to those who make state resource allocations. To this end NSU put together a team of university administrators, staff, faculty and alumni to participate in the annual Higher Ed Day at the Oklahoma House and Senate. This large contingency planned their approach by dividing into teams, learning of legislators' priorities and planned projects that matched some of NSU's needs. Concentrated effort was made with the more than dozen NSU alumni elected to the legislature. NSU also hosted Oklahoma's only electronic Town Hall Congressional meeting, originating from the NSU BA campus, and led by an NSU alumnus currently a member of the US Congress. This planning for acknowledgement by external entities also translated into hosting all 6 Oklahoma gubernatorial candidates immediately before the primary elections. The standing room only audience came from all parts of the Eastern Oklahoma, many of whom had not been on a NSU campus before. Planned media coverage reached the entire state.

Two major external influences led the university and in particular the University Relations personnel to an extensive campus re-branding initiative. The first influence was the NCAA required change from the Redmen mascot to the chosen less discriminatory one of Riverhawk. This volatile issue involved public opinion surveys, town hall meetings and much discussion

particularly with alumni groups. The unveiling of the new mascot was a much publicized event complete with its own Riverhawk dance routine. The second influence was the current and future generations' computer/cellphone/social media expertise. Research shows that name and logo identification precede recognition of academic quality and economic contribution. Our own surveys indicated a great opportunity for NSU to become better known as the 4-year comprehensive university for the eastern section of Oklahoma. Extensive planning resulted in a new standardized logo and motto with a common emphasis for all publications and advertising. Like all other universities this is not a static endeavor and even now, after recent major changes, the website is being evaluated for further user friendliness.

(Emphasize development of BA campus and the continued strengthening of the academic program—labs, campus, library, vistacon room. Stress BA community wanted campus and provided initial resources Highlight increase in enrollment.) It is not often that a community presents the opportunity for a new university campus to grow in its boundaries and even provide support by donating land and building new facilities. Such was the case in \_\_\_\_\_ when Broken Arrow, Oklahoma put out the call for a university to become a part of their community. NSU took the challenge and began planning for the future. The campus has steadily grown in enrollment with mainly graduate level courses due to state regulations. Collaborative arrangements with TCC, the largest community college in the area, utilize facilities for day classes at the undergraduate 2-year level. A newly signed similar agreement for use of the Muskogee campus by Connors State College provides a planned way to make the best of NSU resources while advocating for higher education in the region.

(Reach higher program—NSU is the lead institution. A state program for which we have dedicated space and Positions.) Northeastern has devoted human and financial resources to provide state leadership for the 8 universities participating in the Reach Higher Program. This flexible, affordable degree completion program is for working adult who want to finish their college degrees at state universities. Degree completion is possible in two years. Admission requirements are 1) at least 21 years old 2) completed at least 72 hours of college credit 3) minimum 2.0 graduation/retention GPA and 4) have completed general education requirements as defined by the home institution. (needs enrollment numbers and completion info)

(Expansion in Employee Tuition fee waivers to include spouses.) Planned use of resources to benefit the employees of Northeastern has also included the expansion of the Employee Tuition fee waiver program to include not only dependents but spouses of employees. This faculty sponsored initiative has increased in the two years since the expansion to \_\_\_\_\_

### **Physical Resources**

(Green processes. Trayless cafeteria, hybrid cars in motor pool and campus police. )