

Excellence in Higher Education Endowment

Report of Higher Education Endowment Committee And Implementation Plan for Faculty Endowments

2005 Wyoming Session Laws, ch. 190 (Senate File 122) established the Higher Education Endowment Committee and directed that the Committee submit a plan for the implementation of the higher education endowment to the Joint Appropriations Committee and the Joint Education Interim Committee by October 1, 2005.

The Committee consisted of the following members:

Mike Sullivan, Chairman (appointed by the Governor)
Irene Devin, Vice Chairman (appointed by the Governor)
Rob Branham, Member, Eastern Wyoming College Board of Trustees
Don Bryant, Member, Wyoming Community College Commission
Carol Gonnella (appointed by the Governor)
Warren Lauer, Member, University of Wyoming Board of Trustees
Tom Spicer, Member, University of Wyoming Board of Trustees
John Wold (appointed by the Governor)

The Committee's report contains a list of guiding principles and specific recommendations for implementation.

Great faculty are the cornerstone of outstanding education, whether K-12 or at the post-secondary level. The Committee recognizes that the \$105 million faculty endowment created by this legislation can and will have a substantial impact on the quality of instruction at all of Wyoming's higher education institutions and the quality of research in particular at the University of Wyoming. The effects of this investment will benefit not only students, but Wyoming's employers, both public and private, in terms of addressing workforce needs and economic challenges facing the state. In that context, the Committee views this endowment as providing benefits to all Wyoming citizens.

Senate File 122 required that to assist in the selection of areas of academic excellence, UW conduct hearings around the state regarding public interest in areas of excellence and provide survey data on career interest of Wyoming high school students.

Seventeen meetings were held around the state to assess public interest in areas of academic excellence at the University. The meetings summarized the endowment funding program for the university; explained the concept of endowed faculty positions; discussed which academic disciplines at the university address Wyoming's economic and social challenges; discussed which UW programs and academic areas are designated for distinction in its Academic Plan II; and received input from Wyoming residents about their interest in areas of excellence at UW. The public input was diverse, but in general, public testimony supported a focus on the items contained in the University's Academic Plan II.

Data were readily available at UW from a questionnaire that college-bound Wyoming high school juniors and seniors provide when they take the ACT Assessment. Questions are asked in a variety of areas including the student's choice of occupation or vocation. Additional data from the UW Office of Institutional Analysis allows a comparison of the areas Wyoming high school students indicate as their career interests on the ACT questionnaire and the majors declared by UW first-year students. Information about UW baccalaureate degrees awarded during academic years in the same timeframe was reviewed. The results of the ACT questionnaire and students' declared majors are similar. A substantial number of students expressed strong interest in health sciences and engineering. Though the actual numbers of declared majors are somewhat less than the percentage of those who declared an interest on the questionnaire in those areas, it is clear that there is a strong relationship between career interest and the major declared. Those declaring majors in Education, Business, and Agriculture were notably higher than the interest in a career expressed in the ACT questionnaire. These patterns appear to continue through graduation. In terms of actual degrees awarded, the total number of Education, Business and Social Science degrees is substantially higher than the total awarded in Health Sciences, Engineering, Natural Sciences, and Agriculture. It should be noted that a degree awarded in a particular area or from a particular college does not necessarily reflect a career choice. Graduates can pursue a variety of employment options, including professional education, after earning a baccalaureate degree, e.g. an engineer may pursue admission to medical school.

Senate File 122 requires the revenue earned from the faculty endowment be used to:

Establish endowed faculty positions

Acquire instructional and resources materials, classroom equipment and other resources necessary to support the work of endowed faculty

Senate File 122 also establishes governing principles for use of the revenue generated from the endowment:

Recruit or retain faculty with established reputations for research or instruction to enhance the educational quality and reputation of UW. Those faculty selected based on their research ability shall also teach;

At least two-thirds of the revenue generated from the endowment shall be used to recruit and retain faculty who can expand UW's instruction and research in disciplines related to economic and social challenges facing Wyoming. Four faculty recruited and retained through the endowment shall be in the College of Education. Other disciplines include, but are not limited to, energy, natural resources, wildlife, science, earth sciences, health sciences, agriculture, and engineering.

Any remaining revenue generated from the endowment shall be used to recruit and retain faculty with established reputations in teaching and research excellence in other UW Areas of Distinction as identified in UW's Academic Plan II:

- Critical areas of science and technology
- History and culture of Wyoming and the Rocky Mountain region
- Environment and natural resources, including energy resources
- Professions and issues critical to the state and region
- Life sciences
- Cultural endeavors, the arts and the humanities

“World class” faculty – benefits and opportunities

Earning tenure as a faculty member at a doctoral extensive research university like the University of Wyoming is typically a 6-year process, and earning the rank of full professor requires several more years of professional growth and accomplishment. To progress through the faculty ranks is not the result of merely satisfactory performance for a specified period of time. Rather, it requires success in the classroom and national or international recognition by one's peers as having contributed to the body of knowledge in whatever the faculty member's discipline might be.

From among those faculty members who have already demonstrated the substantial expertise and ability to earn advanced rank, there exists a subset of outstanding faculty who set the standard for others in the classroom and who exert substantial influence nationally and even internationally in shaping the breadth and scope of their disciplines. This select group of faculty is viewed by their peers as truly “world class.”

These are dynamic scholars and researchers with whom other faculty-- within and outside their discipline, on their home campus and at other colleges and universities -- desire to collaborate. They serve as magnets, not only to attract faculty from other institutions, but to also attract graduate and undergraduate students. They generate ambitious research programs and create national recognition for the quality of the programs they develop. Externally funded research grants create jobs, and the opportunity to develop commercial applications from that research in turn generates more economic opportunity. World class faculty provide service beyond their campus. They are engaged in the public dialogue to help frame issues of public concern and serve as resources to propose and evaluate prospective solutions.

Nationally recognized academic programs are well known in every discipline. Students focused on pursuing a particular degree and new faculty intent on building their careers are aware of where those programs reside and actively seek to become a part of them. Such renowned programs are built through the work of a core group of world class faculty in related disciplines. The synergy that results from their collaboration is amplified through the work of other faculty, post-doctoral and doctoral students, masters students and undergraduate students who want to study and research in an energized academic environment with a recognized leader in the profession. By establishing and

enhancing its reputation in selected disciplines through recruiting world class faculty, UW will enjoy even greater ability to recruit outstanding faculty and students, and the citizens of Wyoming will reap the benefits of their work.

Recruiting world-class faculty

University of Wyoming faculty members are expected to excel at teaching, research, and service. Most faculty members have nine-month appointments, with summers available for research, summer school teaching, and course development. In some cases, externally funded research funding may effectively “buy out” a portion of the faculty member’s nine-month appointment during the school year in addition to research work during the summer. But, no matter the research load, UW expects its faculty to teach.

The regular cycle for hiring faculty among colleges and universities is :

September – national/international advertising for vacancies
October through January – applications received
December and January – check references
February and March – on campus interviews
April – offers made and acceptances

Substantial effort is devoted to filling each faculty vacancy, with involvement by every member of the affected academic department, as well as other members of the campus community. When recruiting faculty with established reputations in their discipline, only a handful of candidates will likely be available in any year. Thus, it is prudent to limit hiring to one or two positions in each academic department annually.

Cost of hiring outstanding faculty – an overview

Although academic salaries are market driven and vary substantially by discipline, the typical salary average for senior faculty with established reputations in teaching and research is between \$130,000 and \$160,000 for a nine-month appointment. Employer paid benefits, including health insurance, adds roughly another 33%. Because these faculty have typically already earned tenure at a university and are either associate or full professors, they would likely be granted tenure at UW as a condition of their employment. However, they would generally be limited to holding a particular endowed position for a specified period of time (e.g. five years), with reappointment subject to achieving levels of performance consistent with the expectations of a position of this importance.

In addition to salary and benefits, senior faculty typically require ongoing support to enhance their teaching and research, including funding for graduate students, travel, and additional administrative assistance. Beyond these ongoing support expenditures, one-time, start-up packages are common, although they vary widely by discipline. For education, law, business, humanities, and fine arts, packages of \$10,000 to \$25,000 are generally sufficient. For laboratory science and engineering, start-up packages can range

from \$300,000 to \$500,000, and often include laboratory configuration and specialized instrumentation and equipment. Expenditures for start-ups at these high levels are targeted for faculty with proven track records of success in securing literally millions of dollars in competitive, externally funded research grants.

When fully funded, the University's faculty endowment established under Senate File 122 will generate approximately \$3.3 million annually. However, it would be imprudent for the University to make permanent financial commitments totaling \$3.3 million. Returns on investments are subject to substantial variations; anticipated turnover in these positions (due to retirement, for example) will require modifications to compensation packages and the need for additional start-up costs; and although the total return generated will hopefully be greater than 4.75% annually, it may be necessary to invest some of otherwise expandable earnings back into the corpus of the endowment to keep pace with inflation.

UW expects the first UW faculty hired under this endowment program to occur by the 2007-2008 academic year, with salary, benefits and ongoing support estimate to increase beyond the current range of \$180,000 to \$270,000. Given the necessity of sustaining a budget adequate for one-time start-up costs, which are also expected to increase over time, the faculty endowment established by Senate File 122 will realistically sustain about 12 fully endowed faculty positions.

To expand the number of endowed positions supported, a portion of the endowment revenue could, in appropriate situations, be combined with the salary from a faculty vacancy. By mixing endowment-generated funds with regular operating funds UW will be able to hire a senior, established faculty member rather than an entry level candidate. Care should be exercised in considering this option. It would not increase the total number of faculty, but simply permit hiring at elevated ranks. The expectations for excellence contemplated by Senate File 122 will not be realized if the funds are simply distributed among existing faculty vacancies.

There are other alternatives to permanent, fully endowed faculty positions or the partially endowed positions described above. Funding nationally-recognized faculty to serve as visiting professors for a year or two may provide the right catalyst for a particular discipline to reach the next level in its development.

In sum, though the earnings from the endowment can be used to pursue other approaches besides fully endowed faculty positions, those options should be carefully evaluated. As a measure of the total support the endowment could provide, the equivalent of 12 fully endowed positions is a reasonable approximation, understanding that market conditions for specific disciplines and the extent to which other alternatives appear feasible will determine the actual number of faculty provided.

Areas of distinction and the University's Academic Plan II

Senate File 122 lists disciplines that relate to economic and social challenges that are facing Wyoming. Those disciplines align closely with the areas of distinction contained in the University's Academic Plan II (AP II), except that AP II also identifies disciplines in the arts and humanities as areas of distinction. These are also consistent with much of the public input received during the public hearings as well as with the interests of Wyoming high school students. Four of the endowed faculty positions are by law dedicated to the College of Education. The remaining positions will be for those disciplines identified in Senate File 122's governing principles, excluding the College of Education.

UW's Academic Plan II, consistent with Senate File 122, specifies areas of distinction, not academic departments. These areas of distinction necessarily cross both academic department and college lines. For example, Energy and Natural Resources include departments within the Colleges of Engineering, Arts and Sciences, Agriculture, Business, and Law. Health Sciences can include departments in the Colleges of Agriculture and Arts and Sciences, as well as Health Sciences itself.

To be sure, an endowed faculty position will be of substantial benefit to any University of Wyoming academic department. While each endowed position established through this endowment will reside in an academic department, specifying which academic departments will be selected to receive endowed positions would be counterproductive. Instead, endowed positions should be committed to areas of distinction in sufficient numbers so as to achieve the impact envisioned in Senate File 122. Once endowed positions are committed to an area of distinction, the University should engage in a process to identify which disciplines will be targeted in light of existing University strengths and needs, the availability of established faculty in those disciplines, and the resources necessary to attract faculty with established reputations to UW.

Committee Recommendations -- Guiding principles regarding the use of the SF 122 faculty endowment

- World class faculty form the core of academic programs that have national and international reputations for excellence. They have a synergistic effect in that their work attracts other outstanding faculty and students who in turn enhance the reputation of the university. The earnings from this endowment should be used to recruit faculty of that caliber, and not to provide general salary increases to current positions.
- Outstanding faculty funded through this endowment must always have a commitment to teaching, not just at the university level, but through creative engagement with the Community Colleges, K-12 system, and the general public. They must engage in research that is not only distinguished for its scholarship, but contributes to the means by which the needs of Wyoming's industries and citizens are addressed.
- To maximize the impact of hiring high-profile faculty, the effort should be coordinated with an interdisciplinary focus. By strengthening disciplines in

- related areas, greater benefits can accrue to the university and the students and citizens it serves.
- Fully endowed faculty positions and their related support is the cornerstone to creating a cadre of world class faculty. However, flexibility should be retained to judiciously fund visiting faculty and fund portions of existing positions using endowment revenues where it is clear that those strategies would be best suited to achieving the goals of outstanding instruction, research, and service.
 - The needs of Wyoming's citizens will undoubtedly vary over time, so the necessary flexibility must be retained allowing direction of these resources to meet those needs as they become apparent.
 - An academic program with a national reputation is not an end in itself. It should be consistent with the strength and mission of the institution and must serve the needs of the citizens of the state and the industries from which they derive their livelihood.
 - Prudence must be exercised in the total amounts committed from the endowment on a permanent basis. Investment returns can vary dramatically and the cost of world class faculty member, including periodic salary adjustments, is a commitment that is not contingent on market returns.
 - Given the limited number of truly outstanding faculty who would be realistically available to be recruited in any given year, the initial hiring of faculty from the SF 122 endowment should occur thoughtfully and carefully over several years. A program of hiring faculty with established reputations over several years will itself generate substantial interest in the university's vision.
 - Directing hiring in specific disciplines, other than those contained in the law, would not provide sufficient flexibility for the University to pursue the interdisciplinary approach that is recommended. Further, the University should be able to pursue "targets of opportunity" when top faculty in any discipline, consistent with Academic Plan II, become available. Finally, the specific needs of the state and University will inevitably change over time.

Faculty endowment implementation

1. Senate File 122 anticipates that the UW faculty endowment will provide substantial benefits to Wyoming's citizens, as well as students, through the creativity and engagement of world class faculty. This impact should be apparent to Wyoming's citizens and enhance the University's reputation in the higher education community, both regionally and nationally, and its capacity for outstanding instruction and research. Given the hiring cycle for faculty nationally, and the cost of salary, benefits and ongoing support plus one-time start-up expenditures, it is reasonable to anticipate that the equivalent of approximately 12 fully endowed faculty positions will be supported by the Senate File 122 faculty endowment. The University should be able to pursue alternatives to fully endowed, permanent positions, such as attracting visiting faculty and partially endowed positions, in appropriate circumstances.

2. In view of the projected flow of revenue, and to avoid filling all endowed positions during the same academic year, it is anticipated that not more than 3 or 4 endowed faculty positions will be filled during any academic year.
3. Education
Of the faculty positions anticipated to be supported by the endowment, Senate File 122 dedicates four to the College of Education. The emphasis in establishing these four positions will be in areas in which there is a documented need in Wyoming, including strengthening the core areas of instruction in the College to provide cutting edge training for those pursuing careers in education. These areas will assuredly change over time as the needs of Wyoming's schools change. In filling the initial positions, the areas of identified need include Special Education, Math and Science Education, Early Childhood Development, Foreign Language Education, and core instruction in Reading. Planning for the positions should be flexible enough to permit various distributions of expertise among these areas.
4. Economic and social challenges facing Wyoming
Of the remaining faculty positions, the University should focus on the following areas of distinction:

Energy and Natural Resources – The Legislature has required the University to develop a plan for an Energy Institute. That plan recommends establishing a School of Energy Resources with an interdisciplinary focus. The School will build upon the University's recognized strengths in a number of disciplines in this area, and strengthen academic instruction, enhance research of value to Wyoming, and provide support and services through technical outreach to energy related industries and interests. UW's Academic Plan II is committed to interdisciplinary scholarship in this area, given that energy and natural resources is central to Wyoming's economy. This area should be the University's central priority, and substantial resources from the faculty endowment should be focused in this area. This area includes disciplines in the Colleges of Engineering, Arts and Sciences, Agriculture, Business, and Law.

Life Sciences and Health Sciences – Life sciences is an historic strength of UW, and Health Sciences clearly is viewed as an economic and social challenge faced by the state. Another UW priority should be committing resources to this area of distinction which includes disciplines in the Colleges of Agriculture, Arts and Sciences, Engineering, and Health Sciences.

Other areas of distinction where opportunities to attract nationally recognized faculty present themselves and which are consistent with the University's academic plan.