

Interim Report and Evaluation Visiting Team
University of Idaho
Moscow, Idaho
April 4-5, 2006

The University of Idaho was visited as part of the ten-year comprehensive accreditation review process on October 4-6, 2004. Since that time a wide array of strategic, structural, fiscal, and personnel changes have been made. The result is a much stronger institution. Many of these changes are highlighted in the responses below.

NWCCU Recommendations and University of Idaho Responses:

1. It is recommended that a full review of the mission statement be conducted to ensure accuracy and currency of this fundamental, direction setting statement for UI (I.A.1).

University Response

In early 2004, a Vision and Resources Task Force was appointed by President White to examine the future of the institution. The Task Force undertook a broad examination of the university's mission and in September 2004 presented the report detailing the extensive study of the committee's work <http://www.vrt.uidaho.edu/home/>. The report presents ideas and recommendations for a long term design for the University that is based upon a shared vision, a commitment to excellence, and that is attendant with the necessary budget cuts, reallocations, and possibilities of revenue generation.

On February 11, 2005, President White, building on the Task Force's work, presented a new vision and mission statement to the University community outlining the University of Idaho's distinctive future values and aspirations:

The University of Idaho will be an internationally respected, land-grant research, undergraduate, graduate and professional education institution with a strong foundation in the liberal arts and sciences. We will emphasize strategically selected programs to serve and benefit the people of Idaho, the United States, and the world. We will demonstrate excellence by: being student-focused; sharing, passion for knowledge and discovery; expecting innovation and creativity; establishing a barrier-free community; making a difference to the people of Idaho, the nation, and the world; and being self actualizing. We seek to serve and inspire the people of Idaho and the world as one of America's distinctive land-grant universities. As Idaho's flagship research and land-grant University, we aspire to continue to be internationally recognized as a student-centered university with distinctive undergraduate, graduate, and professional programs in instruction, research and creative activity, and engagement through outreach. On a foundation of liberal arts and sciences, the University of Idaho delivers programs of study in: Law, Business, Engineering, Education, Agriculture, Life, Physical and Social Sciences, Architecture, and Natural Resources. The University of Idaho supports the creative and performing arts, intercollegiate athletics, recreational sports, and an enriched and engaged student campus life experience. The University of Idaho provides knowledge for the good of Idaho and beyond in it's capacity as the intellectual capital central to Idaho's prosperity, preparing graduates to lead the global economy with a foundation of liberal arts and sciences. Our students will have the capacity to think broadly and critically, adapt to diverse environments, and have integrity and analytical skills for prospering in an increasingly complex world. The

University of Idaho aspires to excellence through a diversity of ideas, faculty, staff, and students. We will hold true to our principles of ethical behavior of integrity, accountability, responsibility, openness, transparency, and truth.

Formal adoption of mission changes occurs every two years as part of the State Board of Education's eight-year plan revision process. Formal revisions to the University of Idaho mission statement will be made in the summer of 2006.

Provost and Executive Vice President Baker continued this work and led a strategic planning effort beginning in August of 2005. The planning process built on 11 previous studies and reports <http://www.provost.uidaho.edu/default.aspx?pid=73113>. The first draft of the strategic plan was developed by the Provost's Council which is composed of deans, vice provosts, and the Vice President for Research. In October 2005, the plan was presented for discussion to the university and a number of stakeholders. It was formally reviewed by the Faculty Council, Staff Affairs Committee, Associated Students of the University of Idaho, Graduate and Professional Student Association, Student Bar Association, faculty and staff at the university's centers in Boise, Coeur d' Alene, and Idaho Falls and selected advisory board members. In addition, a request for comments and revisions was e-mailed to university faculty and staff members. The resulting feedback influenced revisions to the draft plan that was vetted through meetings of the Provost's Council and President's Cabinet in December 2005 and January 2006.

The final draft was accepted by the President in February of 2006. Implementation began in February with a call to faculty, staff and students to serve on university-wide implementation teams for each of the four goals in the strategic plan. In addition, budget hearings were held in the first week of March in which vice presidents, deans, and directors gave presentations on how they were going to link their budgets to the strategic plan in the early stages of the implementation process. Annual reviews for the deans and vice provosts will also be linked to progress toward attaining goals in the strategic plan. Much work is yet to be done, but the strategic plan offers good compass points to guide the direction of the university.

In consort with the strategic planning activities there has been a reinvestment process in key multidisciplinary areas of the university. In President White's February 11, 2005 Plan for Renewal, five areas of focus were identified: promoting science and technology, advancing liberal arts and sciences, catalyzing entrepreneurial innovation, stewarding the environment, and understanding sustainable design and life style. In the fall of 2005, a request for proposals for multidisciplinary research projects in these five areas was sent to the university community. Following a number of workshops and on-line discussions in the fall, 43 pre-proposals were submitted to a Blue Ribbon Committee for review. Those 43 were reduced to eight finalists who were invited to submit full proposals. Late this spring semester, three proposals will be chosen for funding. The projects will split \$1 million per year for five years. This process has led to a great deal of collaboration and cross-talk in multidisciplinary areas across the institution and its many locations. We hope to raise money to do more of these projects in coming years.

3. It is recommended that the State Board of Education/Regents evaluate its own performance and demonstrates to its constituencies that it carries out its responsibilities in an effective and efficient manner (6.B.6).

University Response

The Provost has had a series of conversations with staff at the State Board of Education and

other provosts from Idaho higher education institutions on next steps. The focus has been on how the universities and colleges can work with the Board to improve its effectiveness. Progress on this goal has not progressed as fast as hoped partially due to the resignation of the State Board of Education Director Gary Stivers. Board staff members and Provost Baker have also discussed developmental steps with Dr. Sandra Elman from the NWCCU. Dr. Elman is scheduled to meet in Boise on April 10 with State Board office and university representatives to discuss Board structure, function, and assessment. We look forward to her facilitation efforts.

4. It is recommended that UI evaluate and revise its policies and procedures to ensure integrity and public trust in the actions of the institution (9.A.1; 9.A.2; 9.A.6).

University Response

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) developed a model for evaluating internal controls in 1992 which is the generally accepted framework for internal control. It is the definitive standard against which the University will evaluate the adequacy and effectiveness of its internal control systems and processes. In the process of establishing an adequate and effective internal control process, University management will follow the guidelines of the COSO as it improves its control systems.

The University of Idaho has taken several steps to improve the University's internal control environment:

Implemented a Confidential Hotline reporting process with an external third-party provider to establish a means for employees to confidentially report concerns about suspected issues of illegal, unethical, and/or irresponsible acts.

Established a Committee on Ethical Guidance and Oversight to establish a University ethics statement, and develop ethics training, review and improve policies related to conflict of interest, nepotism, and other pertinent areas.

Developed a new finance and administrative leadership team committed to integrity, accountability, and transparency in business operations with the objective of rebuilding public trust in the University's stewardship of public resources. This included the hiring of an interim Vice President for Finance and Administration, David Chichester. He was permanently replaced in January 2006 by Vice President Nancy Dunn.

Developing an internal Audit and Risk Committee to work with the offices of Risk Management and Internal Audit in applying COSO's enterprise-wide risk management model to our University environment. This provides a rigorous and coordinated approach to assessing and responding to those risks that affect the achievement of an organization's strategic and financial objectives.

Establishing an Internal Audit role that is organizationally independent to review of University operations to identify internal control weaknesses, recommend improvements, and provide ongoing monitoring and oversight to ensure compliance with applicable laws and regulations.

6. Solutions to the ongoing and cumulative deficits in both the operating and capital budgets of the university must be identified and solutions be found (7.A.3).

University Response

In fiscal year 2005, the University of Idaho made an extensive series of permanent base budget reductions and reallocations to re-balance the University's centrally allocated budget. The actions taken were the outcome of very comprehensive deliberations of the Vision and Resources Task Force and the President. In addition to balancing the centrally allocated budget, nearly all areas have managed to grow their reserves as a safeguard against the uncertainties of additional program or enrollment changes.

Action 2 of the President's Plan for Renewal (February 11, 2005) also called for an annual assessment on operations funded by unrestricted funds. This collection of funds is to be directed toward the reduction of the internal, consolidated deficits. These internal deficits were caused by deficit spending in a number of operating units over a period of many years and have been consolidated and are being held centrally. Action 2 was implemented in October 2005 and the first annual assessment of \$2M is being collected. Over time, these annual assessments and possibly other resource collections will eliminate the internal, consolidated deficits. Finally, current university policy and practice is to have all annual deficits eliminated prior to the close of the fiscal year.

7. As part of the long-range budget planning and because of the current level of debt outstanding, an action plan should be identified which will eliminate the deficit (7.A.4)

University Response

On a consolidated basis, taking into account all operating units, the university as a whole has never incurred an annual operating deficit. Internal reallocations have structurally re-balanced the centrally allocated operating budgets. Further, the Action 2 annual assessments will eliminate the centrally consolidated, internal deficits over time.

8. The university's liquidity position and lack of operating reserves needs to be incorporated in future budget planning (7.6.10).

University Response

Nearly all areas have managed to grow their reserves. The University's net unrestricted assets grew by \$17.2M from the prior fiscal year. As shown on the FY2005 audited financial statement, these reserves are one indicator of an improving liquidity position <http://www.uihome.uidaho.edu/default.aspx?pid=79500>.

However, the University's centrally held reserves are still below adequate levels. As the budget process evolves for FY2007 and beyond, additional funding will need to be provided for the central University reserves.

9. Implementation of a comprehensive and adequate system of checks and balances on spending should be developed and implemented with regular review by the State Board of Education/Regents audit personnel (7.6.10).

University Response

Within the Banner Finance System, the University monitors spending and budget balances using automated non-sufficient funds (NSF) tracking. Additionally, a variety of new financial reports are being developed to enable managers to more comprehensively monitor their resources. Finally, as previously stated, the University has formally adopted a policy for all annual deficits to be eliminated prior to the close of each fiscal year.

The University has also restructured the internal audit function and has hired a new internal auditor and staff. This officer and other financial officers of the university will be working with the Board of Regents' newly formed audit committee to provide overall policy and guidance for checks and balances in the higher education system.

10. A well-functioning internal audit system needs to be fully addressed by the State Board of Education/Regents (7.6.11).

University Response

The State Board of Education/Board of Regents has authorized and funded an Internal Audit function at the University. The Internal Audit department is staffed with two auditors who bring 30 years of collective audit experience to the role. The audit staff is organizationally independent as required by the Professional Standards of Internal Audit.

Internal Audit assists University personnel in the effective, efficient and ethical discharge of their responsibilities by conducting internal audits and assessments of university operations in a comprehensive, professional and objective manner. Internal Audit is also responsible for monitoring compliance with federal and state laws and regulations and Regent's policies. The Internal Audit staff is provided full access to University records and personnel to perform audits, and has established a time-phased, risk-based audit plan to ensure effective use of audit resources.

12. The Committee notes a discrepancy between the general education mathematics requirement for transfer students and that for entering freshmen. This discrepancy should be resolved so that all students graduating from the University of Idaho will be assured of appropriate course work in mathematics (2.C.3).

University Response

The following changes to the catalog are being finalized through the University review and approval process:

In the catalog now:

J-3-c. Mathematics, Statistics, or Computer Science (3 cr). Mathematical reasoning as a skill and as a theoretical structure has played a crucial role in modern civilization as well as in the everyday lives of individuals. The core curriculum requirement in mathematics, statistics, or computer science should, therefore, foster both an appreciation for the aesthetic and historical dimensions of these areas and a sense of their practical necessity.

Mathematics, statistics, and computer science courses help students develop analytical, quantitative, and problem solving skills by involving them in doing mathematics, statistics, or computer science and by focusing on understanding the concepts of these disciplines.

Students receiving passing grades in mathematics, statistics, or computer science will have:

(1) an understanding of key terms and concepts including a historical perspective of their origins and (2) the ability to recognize, analyze, and solve problems.

CS 101 Introduction to Computer Science (3 cr)

CS 112 Introduction to Problem Solving and Programming (3 cr)

Math 123 The Spirit of Mathematics (3 cr)

Math 130 Finite Mathematics (3 cr)

Math 137 Algebra with Applications (3 cr)
Math 143 Pre-calculus Algebra and Analytic Geometry (3 cr)
Math 160 Survey of Calculus (4 cr)
Math 170 Analytic Geometry and Calculus I (4 cr)
Stat 150 Introduction to Statistics (3 cr)
Stat 251 Statistical Methods (3 cr)

Proposed:

J-3-c. Mathematics, Statistics, or Computer Science (3 cr). These courses develop analytical, quantitative, and problem solving skills by involving students in doing mathematics, statistics, or computer science and by focusing on understanding the concepts of these disciplines.

Students receiving passing grades in mathematics, statistics, or computer science will have the ability to recognize, analyze, and solve problems using critical reasoning.

CS 101 Introduction to Computer Science (3 cr)
CS 112 Introduction to Problem Solving and Programming (3 cr)
Math 123 Mathematics Applied to the Modern World (3 cr)
Math 130 Finite Mathematics (3 cr)
Math 137 Algebra with Applications (3 cr)
Math 143 Pre-calculus Algebra and Analytic Geometry (3 cr)
Math 160 Survey of Calculus (4 cr)
Math 170 Analytic Geometry and Calculus I (4 cr)
Stat 150 Introduction to Statistics (3 cr)
Stat 251 Statistical Methods (3 cr)

Present Catalog description:

Math 123 The Spirit of Mathematics (3 cr). *May be used as core credit in J-3-c.* For students who are curious about what mathematics is and what mathematicians do but who do not plan to use mathematics as an essential tool in their careers; discussion of some aspects of mathematics through the study of problems of "applied" and of "pure" type, taken from areas such as logic, number theory, geometry, topology, probability, and combinatorics; discussion of the historical development.

Proposed Catalog description:

Math 123 Mathematics Applied to the Modern World (3 cr). *May be used as core credit in J-3-c* Discussion of some aspects of mathematical thought through the study of problems taken from areas such as logic, number theory, geometry, probability, and combinatorics; discussion of the historical development.