

**PCRRC Recommendation Regarding the Proposal to Reorganize the Maine Business School
November 15, 2017**

Background:

A pre-proposal to reorganize the Maine Business School was submitted by Provost Hecker to the PCRRC on September 11, 2017. After a two-week period for comments from UMaine faculty and staff, eight responses were received. Based on concerns of the PCRRC and respondents, the committee recommended moving the issue to formal review. A full proposal was submitted to the PCRRC on October 6, and Clayton Wheeler, PCRRC Chair, asked the Provost to clarify the relationships between the various faculty groups, the proposed undergraduate and graduate Deans and the Provost. A revised proposal was submitted, along with an organization diagram, on October 9. These documents were posted on the PCRRC website, and written comments were solicited from UMaine faculty members and administrators. One written comment was received. A public meeting was held on October 25 in which the Provost presented the proposal, and five MBS faculty members presented arguments opposing the proposal. The speakers were Richard Borgman, Nory Jones, Stephanie Welcomer, John Mahon, and Martha Broderick. Almost all the comments were opposed to the proposal.

Summary of potential positive impacts in the proposal and expressed by the Provost:

- Aligns with UMS “One University” concept by eliminating competition between UMaine and all UMS campuses for MBA students and involving collaboration between UMaine and USM.
- Maintains positive relationships with external donors (Alfond Foundation).
- Broadens UMaine’s impact, presence, and accessibility across the state which is in fulfillment of our Land grant mission.
- Establishes infrastructure in Portland and Orono to facilitate synchronous delivery of curriculum in either direction.
- Increases number of faculty in MBS.

Summary of concerns from written and oral responses submitted to the PCRRC:

- The proposal must be viewed in conjunction with the Memorandum of Understanding (MOU), a legal document between the Chancellor and the Alfond Foundation which defines the program and the role of the Foundation.
- Curricular decisions belong to faculty, and the proposal does not seem to be in line with this shared governance process. The memorandum of understanding suggests that faculty governance of curriculum is at risk.
- Hiring faculty, as well as tenure and promotion process must belong to the shared governance process that UMaine currently follows. This is unclear in current proposal.
- The two-dean structure that is currently being proposed separates undergraduate from graduate programs. Emphasis is placed on the Portland MBA, but negative effects on the Orono business undergraduate program are ignored. Faculty are integrally engaged in both graduate and undergraduate studies and feel this administrative structure would likely lead to competition for faculty and resources and degrade the rapidly growing undergraduate program. Furthermore, this structure could endanger AACSB accreditation.

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- The two-dean structure is costly and inefficient. The business faculties of UMaine and USM are willing to work together to develop a joint MBA offering in Portland under one dean situated in Orono.
- UMaine's MBA is already accessible to Portland students via online offerings and continues to show significant growth in enrollment.
- The proposed reorganization/expansion with a focus on full-time residential education is not supported by a market analysis of the future for such programs, which are declining nationwide.
- The increase in faculty resources is only directed toward graduate education. As pointed out by accreditation agencies the undergraduate program at UMaine has seen significant growth with student to faculty ratios which were recognized at the extreme high range of peer institutions. There are no resources proposed to mitigate this related issue and there is concern that this new program may compete with already needed and documented resources. AACSB accreditation is threatened due to faculty insufficiency.
- The proposed organizational structure develops a "class" of faculty members who only participate in graduate education and will be isolated from the undergraduate education mission. Similarly, a group of undergraduate-only faculty will be developed. This division will hurt retention and recruitment of quality faculty.
- The Business School faculty are concerned about the future of the MBA program in Orono. The MOU indicates that it will be closed. The Provost, in his presentation, states it will not be in jeopardy of being closed and indicates it can keep its current curriculum.

PCRRC's Analysis:

- The PCRRC does not object to the premise of the proposal which would establish UMaine as the leader, and sole provider, of business graduate education in the University of Maine System in collaboration with the USM business faculty.
- The proposal has been compromised by an inability to reconcile the details of the proposal with the Memorandum of Understanding between Chancellor Page and the Alford Foundation. The MOU is a legal agreement between the system (Chancellor) and the Alford Foundation. It appears to be "binding on all parties." It is the PCRRC's analysis that UMaine cannot fully comply with the MOU, since it violates the Faculty Senate constitution which was approved by the Chancellor of the University of Maine System pursuant to Board of Trustees' Policies; furthermore, it is unclear what can and cannot, or will and will not, be followed in the MOU, which is of serious concern. For example, the proposed two-dean structure is directly out of the MOU.
- The Business School faculty believe that having two deans is inefficient, expensive and will lead to competition for scarce resources. Our analysis is that this proposed structure is not necessary, since the two business faculties from UMaine and USM came to an agreement to offer a combined UMaine MBA in Portland under one MBS dean (See "The Twelve Points," which were presented on March 24, 2017).
- The PCRRC's analysis is that this reorganization is a major restructuring, involving an additional dean and the division of the current Maine Business School into two parts. It proposes major curriculum changes, even if no details are currently known. The Business School faculty members have expressed concerns that the transfer of faculty

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to the Portland MBA will have ramifications for the MBS undergraduate program that are not explored in the proposal; the committee is uncertain as to the extent of these ramifications.

- The Business School faculty assert that the organizational structure is a threat to accreditation, and the Provost's documentation indicates that maintaining accreditation would be possible. The PCRRC is unsure which is more valid.
- The MOU includes the creation of a private entity (Maine Center Ventures), which will also share the initial \$7.5 million proposed grant; the proposal is silent on the role of this entity. The PCRRC's analysis of these concerns is that, in the spirit of shared governance, the faculty would need to see much more detail than the proposal contains with regard to budget and accounting of staff, faculty, and other resources before we could support the proposal.
- The proposal is silent on the issues of curriculum development, hiring, tenure and promotion. The MOU clearly infringes on the principles of shared governance in its treatment of these matters and violates our constitution. Consequently, the proposal should be adjusted to acknowledge the primacy of our established procedures in these matters.
- The PCRRC feels that the decision of the faculty senate is important because this is an issue that resonates beyond the Business School. This is clearly a decision about faculty governance and donor influence upon curricula and structure. In a time of decreased state allocations, the University faculty welcome university giving and value the Alford Foundation contributions; however, fiscal contributions cannot come with donor control and must follow the due diligence of shared governance.

PCRRC Recommendation to the Faculty Senate:

While greatly appreciating the Alford Foundation's continued support of higher education in the state of Maine, the PCRRC recommends against the approval of the proposal.

Motion:

The Faculty Senate rejects the proposal for the reorganization of the Maine Business School.