

20 May 2010

TO: Provost Paul M. DeLuca, Jr.

FROM: Cluster Advisory Committee and Steve J. Stern (Chair)
(Members: Professors Steve Ackerman, Leslie Bow, Linda Graham, Will Jones, Daniel Kleinman, Nancy Mathews, Elizabeth Meyerand, Anne Miner, and Rick Nordheim;
Staff and ex-officio member: Peyton Smith)

RE: Cluster Program: suggested principles for next phase

The Cluster Advisory Committee to the Provost (CAC) has focused its work this semester as faculty advice on guiding principles to conceptualize a mature-phase era of the Cluster Hiring Initiative (CHI), and to address the financial issues that have arisen. As explained in the principles below, we envision the CHI as a perpetual innovation engine. The CAC's reflections build on discussions and analysis since 2008 among various actors – faculty including cluster faculty and coordinators, chairs and directors, University Committee, campus leadership and deans, and staff – and have also considered the cluster self-narratives and lead dean evaluations conducted in 2009.

Intellectually, the collective program evaluation in 2008 documented the vitality and success of the interdisciplinary cluster program in many domains, including research, grants, tenure rates, curricular innovation, and intellectual synergies with other academic programs and units. The self-narratives and lead dean evaluations in 2009 confirmed at a case study level this picture of vibrancy – about 80% of the clusters were rated in the “A” or “B” categories of success – while also highlighting problems and opportunities to be addressed. We concur with the picture drawn in the 2008 and 2009 evaluations. The CHI program has contributed strongly and uniquely to the research and teaching missions of the University.

Financially, the parameters are as follows. The CHI program, begun in 1998, generated 143 interdisciplinary faculty lines (10 are currently vacant), distributed in 49 clusters, based on a tripartite allocation of \$5 million each from the State of Wisconsin, WARF, and UWF. (If one takes into account fringe benefit costs, the State of Wisconsin allocation is \$6.93 million.) The annual structural deficit is currently about \$2 million. A financial reserve built up in the years before the faculty lines were filled enables us to manage the deficit, but without new principles the University would exhaust the reserve without solving the structural deficit – in other words, silently reallocate funds into clusters without explicit policy consideration or faculty input.

A corollary follows. The campus cannot engage in new search authorizations nor launch the most forward-looking ideas developed below until we know that CHI will reach a sustainable financial equilibrium before exhaustion of the reserve.

In an era of scarce resources, future CACs will continue to play a key role as a source of faculty advice on decisions related to cluster proposals and search authorizations. The implications of this point for CAC composition and protocols are discussed below.

Based on our review, the CAC suggests the following guiding principles. These principles align strongly with the priorities and initiatives of our campus Strategic Framework (especially, investment in scholarly impact domains, recruitment and retention of best faculty-staff, responsible stewardship), and with the original objectives of CHI (see Appendix 1).

1. Intellectual Vision:

We envision an exciting mature-phase cluster program as an innovation engine. That engine will drive forward two key features that have made the cluster initiative uniquely valuable and successful: (a) funding support for interdisciplinary or cross-field faculty, to keep us at the forefront of knowledge evolution across the disciplinary boundaries; and (b) promotion of strong grass roots faculty dynamics in inventing and proposing innovative cross-field ideas.

We underscore that other key objectives of the CHI – notably, contribution to campus diversity, engagement of societal problems, and advancement of the Wisconsin Idea – are also essential.

Intellectual strategy and financial strategy are joined at the hip. The goal of solving the structural deficit is not simply to achieve a sustainable budget, but to achieve a new financial equilibrium in a manner that contributes positively and creatively to the future of cross-field faculty and cross-field innovation.

2. Financial philosophy:

To sustain the twin principles of cross-field innovation and grass roots faculty engagement will require transition from a “static” funding model to an “ecological” funding model. The static model assumes full funding in perpetuity for all clusters and lines, once those clusters and lines have been established.

The ecological model is dynamic. It embraces the idea of “sunrise” and “sunset” of CHI funding for particular clusters and lines, so that the funds continually seed innovative cross-field ventures, and strategically complement the process of department-based search requests. The model does not preclude the idea that some clusters will require central campus support (“across-the-silos” support) longer than others, and perhaps indefinitely in some cases.

A “skin-in-the-game” cost sharing approach, which may be conceptualized as purchase of partial equity in cluster lines, is essential to achieve an ecological model. Finite time limits (x years) on central campus underwriting of specific lines would also be normal. (The skin-in-the-game metaphor, derived from sport and now common in economic discussion, refers to putting one’s self or resources into play to achieve the objective.)

3. Practicality:

Practicality is a valued principle in its own right. We consider three key aspects.

(a) Transition time: Any transition to a new funding model needs to allow adequate time. We suggest a three-year transition to a sustainable budget equilibrium that enables the campus to make limited authorization of faculty searches in the second year. In this vision, planning for transition would take place in 2010-2011, and limited authorization for searches could be granted in 2011-2012 for appointments beginning in 2012-2013.

(b) Flexibility: Deans need to have flexibility in determining, in dialogue with cluster faculty and coordinators, how they meet purchase-of-equity targets. That is, deans need to be able to decide the sources and mechanisms of their contributions. The reasons for flexibility are both intellectual and financial. For example, some clusters have (in part because of intellectual success) become intellectually mainstream fields; others continue to need an across-the-silos

model of funding support. Moreover, some faculty divisions have different research funding opportunities compared to others, and some positions have different splits between research and teaching functions compared to others. When deans are provided a purchase-of-equity target for their clusters lines as a whole, they need to be granted leeway in the manner by which they meet the target or distribute purchase-of-equity across distinct lines. They need not rely on a simple across-the-board formula for all lines.

(c) Simplicity: Administrative simplicity (efficiency) must be borne in mind when translating guiding principles into operational implementation. The CHI program has maximized investment in faculty lines, not administrative infrastructure capacity. The more complex the operational implementation procedures, the more we would need to invest CHI or other resources to build up administrative capacity.

Administrative simplicity also matters when designing processes for proposing new clusters and new replacement requests for lines within existing clusters. Administratively clear and streamlined processes encourage intellectual creativity and entrepreneurship by grass roots faculty.

4. Financial model for current lines with faculty currently in place:

For these lines, it is important to respect the original social compact: central campus funding for full cost of the lines (minus research savings). This principle means limiting the collective skin-in-game aspect to normal budgetary expectations of faculty buy-outs via grants (buy-outs from teaching or 101-base) at a great research university. For example, if it is normal to expect that faculty entrepreneurship and research leaves generate 15% of salary budget, then the social compact means that an appropriate level of central campus funding is 85%. The collective purchase-of-equity target requested of a dean for a set of cluster lines should not exceed the reasonable minimum threshold of research savings. (The target might be weighted by faculty division: for example, x% for humanities/social sciences; y% for biological/physical sciences.) *Any extra savings based on faculty buy-outs would remain at the college/department level.*

One possible benefit for deans, colleges, and clusters of a purchase-of-equity model with flexibility (i.e., differential distribution of equity) is a new option related to re-authorization of vacant lines. If a dean wishes to take full (100%) financial responsibility for replacement of a vacant line, the dean could directly authorize the search without submitting the request for a CAC advisory decision through a central campus competitive process. Such decisions would need to unfold dialogically, as part of normal relationships of consultation and negotiation among deans, faculties, and specifically in this case, cluster faculties and coordinators. In cases where deans assume full financial responsibility, they would still need to communicate, again as part of normal relationships of consultation and negotiation, their decisions to the Provost and CAC.

5. Financial model for new search authorizations and cluster proposals:

For replacement search authorizations within existing clusters and for new cluster proposals – with support from relevant deans, and for consideration by faculty CACs making recommendations to the Provost – our philosophy of a perpetual innovation engine sustained by an ecological funding model is appropriate.

We envision three funding models. Each is administratively simple and incorporates the sunrise/sunset principle, and the skin-in-game principle. *These three models would not exclude*

the possibility that faculty and deans might propose or invent a “fourth” model for particular cluster proposals or authorization requests.

(a) Fixed annual-dollar model. The idea is to allocate a fixed dollar amount to a faculty line for x years. This might involve, for example, a proposal to allocate via CHI an annual fixed-dollar amount (y% of the initial faculty salary) for a given period of x years (or in some instances an indefinite period). Since the annual dollar amount is fixed, the percentage-of-line amount would erode over time, as pay plan increments and base adjustments take effect. Theoretically, in view of different needs and academic submarkets, the proposed specific amounts – percentages of initial salary figure, number of years of CHI funding – could vary. (See Appendix 2 for more discussion, and for re-authorization of lines in cases where there is a denial of tenure.)

A variation on the fixed-dollar approach would be a sliding scale. For example, the initial fixed-dollar amount could be set high – e.g., x% of the initial salary for the first 2 years – but would be followed by a schedule of fixed-dollar decline (for example, cuts amounting to y% of initial salary every 2 years, until CHI contribution drops to 0 after z years).

(b) Bridge model. The idea is to provide a one-time allocation of x dollars (e.g., 500K) to help a school/college (or a combination of schools/colleges) build a cluster for which the school/college takes ultimate financial responsibility. The one-time allocation serves essentially as a bridge or start-up in the early years of a new cluster.

(c) Temporary reassignment model. The idea is group fellowships for faculty (and when relevant, academic staff) who constitute an “implicit” cluster, but who cannot otherwise allocate time to turn the implicit cluster into a reality. By reassigning them temporarily (for one year, or perhaps two) to work on a cluster-type theme as a group, one turns the implicit cluster into a lived research experience, with consequences for collaboration and knowledge that outlast the period of the cluster fellowship.

This idea builds directly on grass roots feedback by faculty – specifically, the “group sabbatical” idea suggested in the recent reaccreditation report. It could also constitute a powerful faculty recruitment/retention tool for scholars who value cross-field work and engagement with colleagues.

It will not be feasible to embark on new authorizations, cluster proposals, or temporary reassignments until and unless we know that we will reach a sustainable equilibrium before the financial reserve is exhausted.

6. Future CAC attributes, balance, and protocols:

Since future CACs would function as advisory bodies to help refine policies and review authorization requests and cluster proposals, we have considered future CAC attributes, balance, and protocols.

(a) Attributes: The CAC considered the ideal attributes of future CAC members, to exercise good judgment in an era of scarce CHI resources and cost-sharing.

We suggest members who are both engaged and Solomonic – intellectually engaged and in that sense able to advocate future directions, yet able to step back from particular field passions and reach for a more Solomonic intellectual wisdom.

We suggest that members have a strong track record of intellectual rigor and accomplishment as research scholars, and an established commitment to intellectual excellence.

We suggest that members have a track record of intellectual cosmopolitanism, so that members understand the value of inter-field thinking and research and can assess proposals accordingly.

We suggest that members are persons who will understand sunrise/sunset philosophy and see beyond the idea of projects funded in perpetuity. Persons who have closed out a major intellectual project and moved toward new research agendas during their own careers are welcome.

We suggest that members be people who understand the value of team discussion. Intellectually, we seek persons who are both influential and open to influence, and thereby can contribute to a strong team process.

(b) Balance: The CAC considers that balance considerations in future faculty CACs include a variety of dimensions. These include:

faculty division/disciplinary mix;

grant orientation diversity (fields with major external grant opportunities, and fields with more modest opportunities);

generational diversity (i.e., associate professors or recently promoted full professors, in addition to senior faculty);

gender/race diversity and awareness (future CACs will need to consider the diversity recruitment/pipeline strategies of new search or cluster requests).

(c) Protocols: The CAC considered issues of institutional memory and consultation with governance and with deans.

Future CACs would need to have access to the foundation of knowledge built in previous cluster collective program reports, the 2009 self-narrative and dean evaluation process, and the work of this year's CAC. Ideally, some overlap of membership from previous CACs (essentially, staggered terms) would also assist institutional memory.

CACs would confer with the University Committee as appropriate about issues that come on stream as they consider new search authorization requests or new cluster proposals.

CACs would confer with deans as appropriate about issues coming on stream and on particular cluster requests or proposals that require sound assessment of dean support and cost-sharing.

7. Future substantive issues:

As the campus embarks on a transition to a new phase of the cluster program, we and future CACs will need to be mindful of additional substantive issues evident in the 2009 process of individual cluster self-narratives and lead dean evaluations. These issues include:

- (a) the difference between clusters whose intellectual success has led to more mainstream standing from a disciplinary standpoint, and those whose intellectual success continues to depend on across-the-silos funding from central campus;
- (b) the overlapping networks and opportunities for voluntary consolidation and building of critical mass evident in the intellectual work of specific clusters;
- (c) the fragility of some clusters, since small numbers of faculty at the heart of a cluster can lead to very large effects if one or two faculty leave or retire;
- (d) the issues of infrastructure and lack of administrative support that have vexed some clusters, especially if they lack strong connection or synergy with an academic program center or a department with administrative support capacity.

The “next steps” we envision are implicit in the discussion of practicality under 3 (a), (b), and (c) above. Based on the guiding principles above and appropriate follow-up discussions – with varied actors including governance/University Committee, deans/leadership/chair groups, cluster coordinators/faculty, general faculty, and the CAC – we envision that the provost and deans will develop transition plans and protocols in 2010-11, and a clear time line to achieve a sustainable budgetary equilibrium, hopefully by 2012-13. We reaffirm that the process, to be successful, requires engaged dialogues with faculty, governance, and cluster leaders. We also reaffirm that an exciting era of new search authorizations, cluster proposals, and temporary reassignments cannot really begin until we achieve a clear and solid transition to a new budgetary equilibrium.

The budgetary issues that have recently arisen offer an opportunity not only to solve a problem, but also to conceptualize how our campus can continue to innovate by supporting leading-edge intellectual work that cuts across established field boundaries, and catalyzes grass roots faculty creativity. A mature-phase CHI is essential and strategic to the academic future of the UW-Madison. Thank you for the opportunity to serve our University.

Appendices 1 and 2

cc:

Governance (UC, ASEC)

Leadership Council

Cluster Coordinators

Chairs and Academic Program Directors

Appendix 1: Historical Objectives of Cluster Hiring Initiative

1. Enable the campus to devote a critical mass of faculty to knowledge areas that would not be addressed through existing departmental structures.
2. Provide for new research tracks and collaborative opportunities.
3. Address complex societal problems.
4. Advance the Wisconsin Idea by serving society's needs through interdisciplinary research, learning and service.
5. Encourage and foster cooperation within an already strong faculty and staff.
6. Create new curricular offerings on the undergraduate and graduate levels.
7. Assist in the fulfillment of other missions of the University, in particular increasing campus diversity.

Appendix 2: An Example of Sunrise/Sunset Philosophy.

This discussion serves as a more detailed example of how a sunrise/sunset philosophy could affect re-authorization of new lines with major funding from central campus CHI funds.

When a position in an existing cluster becomes open because of resignation or retirement, campus CACs will need a protocol to evaluate of the desirability of continuing to fund open positions in that cluster. Based on cluster track records, one may envision three basic categories: (a) clusters that are performing well (or show strong promise of performing well, if assessment is premature) and will continue to need major across-the-silos funding support from CHI; (b) clusters that are performing well but whose positions, given the evolution of knowledge, may now be “mainstreamed” into more standard academic channels via major “purchase-of-equity” at school/department level; (c) clusters that have not performed well.

Continuing clusters: For open positions in continuing clusters, the first category would be given a very high priority for major long-term continuing support from CHI funding. The second category would be a cluster where CHI funding may eventually sunset, in tandem with purchase-of-equity decisions at the college level. The third would be considered for sunset at both the intellectual level and financial level.

Newly created clusters under new shared-funding model (fixed-dollar allocations): For newly created clusters in the future, sunrise/sunset philosophy would nonetheless require a funding support life of a minimum of x years (where x might be a number between 6 and 10 years). This means that vacant positions for a new cluster would reauthorized, barring extraordinary circumstances, during the initial period of x years. This is very important to give new clusters time to build stability if faculty turnover intervenes, or if our university’s rigorous intellectual standards lead to denial-of-tenure decisions. After x years, the sunrise/sunset philosophy could follow that suggested for continuing clusters above.

A corollary of this approach is that campus and lead deans will need to conduct regular reviews of individual clusters, similar to those conducted in 2009. The periodicity of review could be similar to that which applies to academic departments and programs in general (about once every ten years).