Financial and Organizational Review of Professional Development and Community Engagement (PDCE), Faculty of Education

Submitted by:
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Summary

A financial and organizational review of Professional Development and Community Engagement (PDCE) carried out in early 2015 resulted in nine recommendations. This review took place against a backdrop of Career and Personal Education (CPE) becoming a greater focus and priority at UBC and the Associate Provost for Academic Innovation leading ensuing efforts to develop principles for supporting CPE across campus. The findings of the review process lead the review team to suggest that using the Principles of CPE at UBC as a guide, it would be timely and beneficial for the Faculty to examine its strategies, goals, and tactics regarding professional development (CPE) programs with the best interest of the entire Faculty and the professional community in mind.

Background

The office of the Vice-President Academic (VPA) carried out a financial and organizational review of Professional Development and Community Engagement (PDCE). The team consisted of Hugh Brock in his role of Associate-Provost Academic Innovation (APAI) and his Executive Director, Denise Lauritano, Jenny Lum, the Financial Officer for the VPA and Evelyn Lomba from her team.

Typically, a Faculty's ability to meet all its academic, financial, outreach, and other goals is enhanced if those decisions are made with a Faculty-wide perspective, take the Faculty's short and long-term situations into account, and are affordable. Our hope is that our review of PDCE will assist the Faculty of Education in achieving its overall goals.

With any outside review, one hopes that the experience of the reviewers compensates for their lack of detailed knowledge of history, traditions, expectations, practice and culture in the unit being reviewed. The VPA team does not imagine that we have all the answers, but we trust that we had good questions and present an accurate representation of the current situation. We have specific recommendations in the area of financial reporting and practices. However, our assumption is that operational decisions must be made by the Faculty of Education.

We appreciate the full assistance we have had from everyone in the Faculty of Education, from Dean Frank, Associate-Dean Ratner, Clara Ng, Associate-Dean Tom Sork, Dr. Mark Edwards, and many others from PDCE, the Department Heads, and others in the Faculty.

In the past decade, the University has been moving systematically towards greater quality management and tighter internal financial controls. As part of this effort, a program to certify the accuracy and completeness of financial reports and the operation of internal controls for

each business unit and Faculty was successfully initiated and has been improving continuously. This set of changes emphasizes the importance of financial reviews and internal controls. Our financial review of PDCE is set against this institutional framework. We had full access to financial information of PDCE, and carried out detailed interviews to inform how the financial procedures worked, what they were intended to do, how transparent the system was, and how effectively financial details were communicated.

There is a similar parallel with UBC's approach to Career and Personal Education (CPE). President Gupta wishes to expand and strengthen UBC's offerings in CPE, while ensuring that our offerings align with UBC strengths, and with societal, government, and industry demands. The APAI is leading UBC efforts to develop principles for supporting CPE across campus. These ongoing discussions informed the team's approach to the organization of PDCE. As APAI, I am considering the roles of the office of the VPA, the Faculties, and a CPE support unit, which aligns well with the roles of the Dean, Departments, and PDCE within the Faculty of Education. As many have realized, form should follow function. Therefore the team approach assumed that determining what functions should be carried out by the Dean, by Departments, and by PDCE should suggest whether changes in the current organizational structure should be considered. Hugh interviewed Dean Frank, Sr. Associate-Deans Ratner and Sork, Associate Deans Archibald, Irwin, and Haverkamp, Drs. Abdi, Borgen, Grimmett, Paré, Sparks, and Edwards, and Denise Lauritano interviewed many other people. After individual interviews, emerging views and principles were identified. A workshop with the various participants in the interviews was held to develop some of the emerging ideas further. I provide the raw data for a mini-poll on who should do what in an appendix, but comment below only when my recommendations differ significantly from this poll.

Financial:

Principles of Financial Management at UBC

1. Adherence to UBC policies and procedures
2. Transparency
3. Full cost-accounting of direct and indirect costs
4. Minimize the number of transactions
5. All data must be independently verifiable

Findings

Given that the role of the PDCE is to advance the goals of Departments and the Faculty, the ability to make sound financial decisions based on verifiable, reliable financial data is critically important. Accountability and the ability to make accurately informed financial decisions is increasingly important in the current financial climate in which government funding is

increasingly constrained, and in which the Faculty is in financial difficulty. The team found that many features of PDCE financial management are atypical for UBC.

1) The standards for financial quality management and internal controls expected for UBC units are absent in PDCE.
2) Only one junior CUPE staff position is within the Accounting job family.
3) Shadow systems are used more than University systems which is concerning because the data in the shadow systems are not verifiable, and because of the opportunity for misuse of funds.
4) Standard accounting practices and internal controls have been built into the UBC financial systems. Those systems produce a suite of queries and reports that are typically used for a variety of budgeting and accounting purposes. Despite the high degree of variability in activities in different units across campus, those systems serve most units well because they ensure that practices and procedures align with UBC policies. Rather than adopt UBC accounting practices and use the UBC systems as primary tools, the PDCE developed its own accounting practices, found the UBC tools did not fit the locally developed system, and decided to use shadow systems instead. Financial reports generated from PDCE fall well outside University norms because they do not reflect standard UBC accounting practices.
5) The format of financial reports is highly unusual because they are typically presented in the form of portable document files of shadow system spreadsheets. The unusual format obscures the ability to answer key questions that lead to sound financial decision-making.
6) The flow of money among PDCE, the Departments, and the Dean's office is complicated, time-consuming and expensive both to execute and to track. The average transaction cost at UBC is $60, so reducing transactions would save money, and add clarity to the financial picture.
7) There is an unusual number of transactions between various budgets within PDCE.
8) There is unusual use of travel, entertainment and other accounts with non-academic purposes.
9) Many interviewees commented on lack of transparency in budgets, or said that they did not understand their own budgets.
10) Most Heads remarked that individual faculty members in their unit benefitted more from PDCE activities than did the Department itself. For example, several noted that faculty members benefitted from buyouts funded by PDCE, but the consequence of losing the services of the faculty member was not fully accounted for.
11) There are firmly held perceptions about profitability of PDCE programs that do not align with the financial realities.
12) These perception issues arise for many of the reasons noted above, and from incomplete accounting for direct and indirect costs.

Recommendations

Recommendation 1: The Finance functions related to all aspects of PDCE activities should move to the Dean's Office, be aligned with the University's accounting practices, and be under the direction of the Director of Finance of the Faculty of Education.

Rationale: The size of the Faculty suggests that the most efficient approach is to have one finance team have overall responsibility for preparing all financial reports and analysis for the Faculty, Departments, and PDCE. The alternative approach of building a professional finance team within PDCE would create unnecessary duplication, maintain the existing silos, and increase the likelihood of three way transactions.

An alternative approach that was considered would be to bring in internal audit to examine PDCE finances. The advice from internal audit is that forensic accounting is backward looking, and accurately defines the problems, but does not solve them. They suggest that it is more efficient to switch over the PDCE financial reporting to UBC accounting systems immediately to bring PDCE accounts up to standard. Nevertheless, internal audit has scheduled time in September if the Faculty wishes to use its services to examine the PDCE books.

I note that respondents to the mini-poll were divided about who should be responsible for financial accounting. My recommendation reflects my belief that only the Faculty can afford to build a professional team at the required skill level to have accurate, trusted, and transparent financial accounting.

Recommendation 2: The CPE financial modeling tool developed by the office of the VPA should be used to analyze the financials of all existing and planned professional programs to establish how each program impacts the Faculty and Department budgets.

Rationale: Most people interviewed thought that PDCE generates income, or is at least a full cost recovery unit. Our experience across the University shows that most programs are under-priced, and that costs are not fully accounted for. More accurate assessment of these issues will lead to better strategic assessment of existing and planned programs. Moreover, accurate financial models lead to better alignment and buy-in within Departments offering programs.

Recommendation 3: The Dean, his/her Executive, and the Department Heads should make decisions regarding how funds for PD and CE are allocated to Departments and PDCE.

Rationale: Simplifying the flow of funds has obvious benefits to reduce transaction costs and increase transparency. Multiple interviewees pointed out that within the Faculty, Departments, and PDCE, there is a lack of strategic focus, resulting in a multitude of small programs, small units, and lack of resources. There will be a better alignment of strategic priorities established by the Faculty and Departments if money flows directly to the support of these priorities, including support for PDCE.

The mini-poll results presented in Appendix 2 demonstrates diversity of opinions on who should make financial decisions. Given the decentralized nature of decision-making in the Faculty, a committee of the Executive and Heads might encourage holistic decision-making.

Operational

Principles of CPE at UBC

- All programs align with UBC's academic and professional strengths
- Academic units decide what programs are offered, including curriculum, content, and pedagogy
- Offerings should be coherent, curated, and not compete with each other
- Use integrated-distributed models that minimize duplication and ensure that the best-qualified persons offer the necessary support
- Revenue share is proportionate to expenses incurred by each unit involved
- Central CPE support should be a Faculty-facing support unit that offers services not available in Faculties

As an appendix (Appendix 3), I attach a list of functions necessary for the assessment, development, marketing, and delivery of programs developed for the UBC CPE budget model. I also attach a poll of 10 people who were asked to identify who should do what. Participants were allowed to tick more than one box if they were uncertain, or if the answer depended on the kind of program. Finally, I attach the results of a poll (Appendix 2) of which criteria should be used to make go/no go decisions on PDCE programs.

Findings

- PDCE staff field requests from Department heads, individual faculty members, or from members of the professional community for new programs or other offerings
- Leadership remarked that they didn't feel they could say no to requests from faculty members or Departments
- In consultation with the Department heads, the PDCE decides whether a program will run or continue based on enrolment
- The PDCE considers financial implications, benefits of keeping instructors employed, the relationship with communities
- There is a widespread perception that these on-the-ground level decisions make sense individually but may not serve the Faculty well in aggregate

- The broad offerings include individual professional courses ("cohorts"), workshops, summer institutes, and graduate programs, all designed to provide professional growth to educators
- Many of these offerings cater to the just-in-time demands of the field, so they are conceptualized, developed, marketed quickly and run for short durations
- Departments would prefer to run academic programs, including admissions
- Most interviewed agreed that PDCE had become a self-perpetuating entity rather than a service unit for Departments or the Faculty
- Opinions differed about the focus and effectiveness of the PDCE staff supporting professional development
- Most Departments reported having to assign staff to redo work done by PDCE for which they were already paying overhead
- Consensus from interviewees was that the main value of PDCE was in community engagement, market research and marketing, logistical support for off-site programs, and support for distance learning because Departments do not want to take on these activities

Recommendations

Recommendation 4: The Faculty should decide on its overall vision for the future before deciding about PDCE

Rationale: As Vice-Provost Academic Affairs, I have had the pleasure of reading self-study documents for most Departments in the Faculty, and as APAI, had the pleasure of speaking with many in the Faculty. The highly decentralized nature of the Faculty and its Departments increases the tendency to do lots of small things at varying standards, rather than to focus on fewer areas of real strength.

My opinion is that the Faculty and Departments need to reach fundamental big decisions about the future of the Faculty if the value of PDCE to the Faculty and Departments is to be maximized. These include the relative weight placed on research and professional development, and thus on graduate research programs versus professional programs. These principles should inform decisions about what the Faculty and departments should stop doing, start doing, and continue doing. It is the stop doing decisions that are the hardest and most important.

With this vision in place, it will be much more possible to make coherent, integrated, and strategic decisions about which professional development and community engagement programs to run. Decisions that start with PDCE will be piecemeal, and have to be redone when a new vision for the Faculty is implemented.

Recommendation 5: Decisions about which programs to run should be made by a team including the Dean and Executive, Department Heads, the Director of Finance and others designated by the Dean

Rationale: This recommendation addresses concerns that that the mission of the PDCE has become separated from the academic and professional mission of the Faculty and Departments. The lack of alignment and fragmentation causes the overall offerings of professional development programs to be less than the sum of its parts. However, in the workshop discussion, I noted that the participants were not sure how tight the linkage should be between PD and academic programs. Nevertheless, the poll of who should do what (Appendix 1) supported the idea of a combination of Faculty and Department decision-making, which explains this recommendation.

I also asked the workshop what criteria should be used to make the decisions above (Appendix 2). Four criteria received at least 7 votes: "Strategic direction"; "Leads to transformative outcomes"; "Innovation and leadership"; and "revenue" which I assume means generates earnings, breaks even, or loses money. Two other criteria "relevance to stakeholders" and "expertise of the faculty" received 6 votes. I suggest that this is a very reasonable list.

Recommendation 6: Departments should run graduate professional programs and be resourced accordingly

Rationale: This is the norm for undergraduate and graduate programs at UBC, but uptake is variable for professional programs. The team observes that Continuing Studies (CS) and PDCE share similar problems of isolation and lack of alignment with the academic mission, and that in both cases academic units have concerns about academic rigour and focus of the support unit. Some of these differences of opinion arise from differing perceived values attached to research vs professional development, which in turn relates to the rationale for Recommendation 4.

Nevertheless, some thoughtful interviewees worried that placing resources in Departments would increase the likelihood of duplication and inefficiency in the Faculty, and would also increase centripetal/decentralizing forces in the Faculty, and thus make it more difficult to establish an overall Faculty vision.   There was general agreement that smaller workshops and conferences should be run by PDCE.

Recommendation 7: The Faculty should decide which PDCE functions should be supported by UBC CPE, CTLT or continue to be supported by PDCE

Rationale: Historically, professional Faculties have run their own support units for professional development and community engagement. Faculties are well placed to assess demand from government, employers, and practitioners, and frequently there is a requirement for regular update of professional qualifications. Nevertheless, as competition becomes global, the job market changes, learner demands move towards just in time delivery of career-oriented skills,

it may be time to reconsider this model. Success depends on development of compelling value propositions, deeply-researched business cases that examine the local, national and international markets, and effective marketing designed to sell programs rather than Faculty brand. These capabilities are not always found in Faculty units.

In these circumstances, the Faculty may wish to reassess what functions could be outsourced, perhaps using an integrated-distributed model, to UBC CPE, and which should be retained by PDCE. I attach the results of the mini-poll in Appendix 1. It's important to note the small size of the sample, and the likelihood that different respondents had different understandings of any given function. I offer the following top-level summary:

- Most respondents preferred functions to be done within the Faculty, with the notable exception of registration/receiving payment where there was agreement that this should be done by Enrolment Services. There was not a clear preference for who should do business development, and market assessment.
- There was agreement that go/no go decisions should be made by the Faculty or Departments
- The poll reflects the interviews we had about which functions should be done by departments and PDCE.

A more comprehensive poll could prove informative.

Recommendation 8: The PDCE should return to being a Faculty service unit that supports Departments by providing functions beyond the expertise of Departments

Rationale: The paradox is that PDCE believes that it is a service unit, and Departments and others believe that PDCE has lost sight of its role. Clear delineation of functions, with the right tasks being done by the right people, will make it easier to deliver high levels of service, minimize duplication, and simplify budgeting and accounting.

Recommendation 9: The Educational Technology Support (ETS) group should report to the Dean's Office and serve the entire Faculty

Rationale: There is widespread support for the ETS group, but multiple interviewees pointed out that not all in the Faculty were equally well supported by this group.

Appendix 1: Results of Poll Regarding UBC Unit Best Suited to Perform Functions

Function	UBC CPE	CTLT	ES	Faculty	Dept	PDCE
Strategic challenge & opportunity identification	8	2	0	5	6	7
Business development & market assessment	9	0	0	4	1	9
Marketing planning	6	0	0	3	2	9
Financial analysis and tracking	8	0	1	7	3	9
Support for program approval	2	0	0	6	8	4
LT, web design, instructional design	1	5	0	2	6	9
Student Registration, Payment	0	0	10	0	1	4
Program Logistics (rooms, instructors, transport)	1	0	1	1	1	5
Community Engagement	3	0	0	4	7	8
Student services (counselling, housing, advising)	3	0	4	0	5	2
Program Management & Admin	2	0	0	1	9	6
Operational Marketing (creative, production, media, web)	8	1	0	2	0	8
Admissions	1	0	4	3	8	4
Career Placement, internships	4	0	0	2	6	3
Course design/development, including buyouts	1	2	0	1	10	6
Instructional costs (lecturers, TAs)	0	0	0	3	6	3
Go /No Go Decisions	4	1	0	7	8	4
Support for Conferences/Workshops	1	0	0	3	4	6

*Participants were free to vote for more than one unit per function

Appendix 2: Results of Poll Regarding Criteria that Should be Used to Make Go/No Go Decisions on PDCE Programs

	Highest Priority	Medium Priority	Lower Priority
Knowledge Mobilization	3	4	3
Policy	2	2	6
Strategic Direction	7	2	1
Reputation	5	4	1
Instrumental Value	0	8	2
Transformative	7	1	2
Feasibility	3	5	1
Demand	4	4	1
Place	2	6	2
Values	5	4	0
Impact	4	6	0
Local	1	3	6
Relevance to stakeholders	6	3	1
Support	4	4	2
Revenue	4	5	1
Champion	5	4	0
Innovation - Leadership	9	1	0
Expertise	6	4	0
Social Need	5	5	0
Global	1	5	4
Professional Linkage	3	5	1
Time	1	5	3
Reciprocal Currency	1	4	5
Opportunity	4	4	2
Interdisciplinarity	0	7	3
Revenue (sustainability)	7	3	0
Research-Practice	3	6	1

*Not everyone "voted" on every priority. Hence, some row totals are 9 while most are 10.

Appendix 3: Illustration of Emerging CPE Expertise and Capabilities at UBC and Funding Assumptions

CPE FUNDING ASSUMPTIONS IN MODEL

Capabilities provided by UBC CPE organization		Capabilities provided by units offering CPE	
Function	Rationale	Function	Rationale
Costs covered by Central revenue share		**Costs typically borne by Faculty**	
Strategic challenge and opportunity identification	UBC accountability Objectivity Faculty alignment, segmentation	Program direction, management and administration	Faculty accountability Cross-Department alignment
Business development and market assessment	Economies of scope (skill) Fact-based analysis (alignment) External project management	Marketing (creative, production, media, web hosting)	Program accountability (efficacy) Linkages with program proposition Intra-Faculty market coherence
Marketing planning and pricing	Economies of scope (skill, relationships) UBC market coherence	Student recruitment	Program accountability (cohort profile) Industry knowledge and networks
Financial analysis and tracking	Economies of scope (model, skill) UBC resource allocation	Student financial aid	Linkages with recruitment
Program approval support	Economies of scope (skill, relationships) Interface with Senate, Victoria	Career placement (co-op, projects)	Need for close integration with program Industry knowledge and networks
LT support (production, pedagogy, analytics)	Economies of scope and scale Consistent learner experience Risk management (IT)	Incremental space	Program accountability (logistics) Faculty / student cohort interactions
Risk pool	Cross-program risk management	**Costs typically borne by Department**	
Optional costs offset by fee-for-service model		Course design, development, including buy-outs	Content expertise Course accountability
Student registration	Economies of scale (systems, interface with other campus units)	Instructional costs (lecturers, TAs)	Teaching capability and capacity
Program logistics (rooms, instructors)		Student advising	Discipline context
Student services (housing, counselling)		Content refresh	Content expertise Course accountability