

Investing the Stimulus

Metropolitan State College of Denver uses federal funding to reposition itself for the future

Photos by Eric Lars Bakke, Black Star, for CrossTalk

By Kathy Witkowsky

DENVER, COLORADO

METROPOLITAN STATE COLLEGE of Denver President Stephen M. Jordan didn't have to look far to find a playbook for dealing with the current recession. It sits on his bookshelf, in the form of a large black binder that contains materials from a graduate course he taught for seven years at Eastern Washington University, where he also served as president.

As part of the course entitled "Administrators as Change Agents," Jordan laid out two different strategies for coping with financial stress.

The first: Resist. In other words, continue, inasmuch as possible, to do business as usual. That, Jordan said, is the path to take if you think the financial crunch is short-term.

But if you suspect that the fiscal crisis you face is long-term, the better option, Jordan said, is the second of the two strategies: "Realign your institution." Translation: Suck it up and make the changes that are necessary to ensure your organization can survive in the new environment. That's the tack that Metro State is taking—or is trying to take, said Jordan, explaining why he chose not to rely on stimulus monies to backfill state budget cuts.

"I've had this philosophical construct in my mind for a very long time," Jordan said during a recent interview. But when the state of Colorado began to suffer from the economic downturn, the exercise was no longer an academic one. "Now I've found myself having to live it."

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he found out that federal stimulus funding would temporarily cover the entire shortfall from the state.

"I never had a doubt in my mind that we needed to do this," said Jordan. So the next question he asked himself was

this: "How can we use the stimulus money to make investments that will leave this institution better off?"

One historical lesson Jordan had absorbed came from the recession of the 1970s, when, he said, higher education administrators missed an opportunity to substitute technology for labor because they didn't have the cash. With stimulus dollars at his disposal, Jordan determined that he was not going to make the same mistake.

Quickly, he set the wheels in motion to improve the school's use of technology. Thirty-seven projects, ranging from creating a bilingual website, to tracking student

success, to creating an in-house call center for fundraising, are now in the works as part of the school's "Rightsizing with Technology" initiative. Some of the projects are expected to save or even generate money, while others are intended to improve the overall student and faculty experience, which, the thinking goes, should ultimately benefit the institution through improved retention and graduation rates.

Metro State is also using stimulus funds for an innovative retirement-incentive program for senior faculty, which will save money, and has fast-tracked plans to offer master's degree programs, which are expected to make money.

"Once this whole thing came down, and we started talking about the stimulus money, it didn't take long for Steve to say, 'All we, and every other institution, are doing is putting off the inevitable—because eventually the stimulus money is going to go away,'" recalled Robert Cohen, vice chair of Metro State's board of trustees. "So rather than take the money and do business as usual, and then fall off the cliff in a year or two, he said, 'Why don't we take this money and use it to retool ourselves?'"

In hindsight, Jordan's approach may seem like a no-brainer. But Dennis Jones, president of the National Center



Stephen M. Jordan, president of Metropolitan State College of Denver, chose not to rely on federal stimulus monies to backfill state budget cuts.



Adele Phelan, who chairs Metro State's board of trustees, says that college-wide discussions about how to deal with cuts in state funding were a useful, if painful, exercise.

for Higher Education Management Systems, said it's a departure from what he has seen at other higher education institutions. Based on previous experiences, Jones said, college and university administrators seemed to view this recession as a short-term problem, and the stimulus dollars as a viable solution to it. As in the past, the prevailing attitude, said Jones, has been: "If we just hunker down for a year—at most two—the economy will come back."

That was the sense Jordan got from the leaders of other public

Colorado institutions he encountered, who seemed "puzzled" by Metro State's response. "Clearly we were at variance with everybody," Jordan said.

In fact, Carl Powell, who as vice president of information technology helped design and implement Metro State's technology initiative, said that when he spoke with his peers from public Colorado institutions at one of their monthly

meetings last summer, many didn't even realize the fiscal realities on their campuses. "A lot of them weren't aware that they'd been cut or had gotten federal money and that it was just used to make up for those cuts," Powell said.

When Powell described Metro State's Rightsizing with Technology initiative, he was met with blank stares. "It was like I was a Martian or something," said Powell, who has since taken a position at Eastern Michigan University. "They all just looked at me like I'd grown a third arm."

By September, said Powell, those same information technology people, many of whom were being asked to terminate systems, clearly understood the seriousness of the situation. Their response to what Powell was doing at Metro State had changed from one of incredulity to one of interest. "But by then, the train had left the station, and they were all very much in react mode," Powell said.

Exactly how effective the initiative will be is an open question. But it will be answered. At the insistence of the board of trustees, Jordan has hired a consultant to track the investments and the results. Board member Ellen Robinson said that gave her the reassurance she wanted that the money would be well managed.

"Spending like this could be a deep dark hole and an excuse to spend lots more money if you get halfway through

projects that don't get finished on time or go over budget," said Robinson. She speaks from experience: In the late '90s, she founded a startup company that didn't get past the software development phase.

"That was my education, in terms of the school of hard knocks, as it relates to how difficult it is to be on time and on budget with technology," Robinson said.

The proof, as the saying goes, will be in the pudding. But at this point, Jordan is being hailed as a visionary by both his faculty and his board of trustees. "I would have to say that he is brilliant at moving things forward—at seeing what the next step is, and moving there," said Lynn Kaersvang, faculty senate president. "I am very grateful, as the chair of the board, to have an innovative, entrepreneurial, not-afraid-of-change thinker," said Adele Phelan, who chairs Metro State's board of trustees.

That was exactly what the board was looking for back in 2005, when it hired Jordan to rebuild the institution after years of budget cuts and administrative uncertainty. Founded in 1965, Metro State, which shares a campus in downtown Denver with the University of Colorado Denver and Community College of Denver, is not well known outside the city. But it is one of the nation's largest undergraduate-only institutions, with a steadily growing enrollment of just over 23,000, nearly a quarter of whom are minorities.

Jordan didn't waste any time as he set out to improve student and faculty morale and raise the school's profile. To date, he has added nearly 200 additional full-time faculty, 25 percent of whom are minorities; boosted faculty salaries; and become a strong voice for the school at the legislature and in the business community. He has set a goal to increase Metro State's Hispanic enrollment from 13 to 25 percent, a benchmark that would earn the school a designation as an Hispanic Serving Institution, thus rendering it eligible for millions of dollars in federal grants. And he has spoken frequently and without irony about improving the school's dismal graduation and retention rates and making

Federal Stimulus Funds Projects at Metropolitan State College of Denver

- An early-retirement incentive program
- Developing and implementing master's degrees programs that are expected to generate revenue
- Hiring additional grant writers
- Thirty-seven technology projects, including:
 - Creating a Spanish-language website
 - Software that will allow students and faculty to remotely access their courseware
 - Tracking student success to enhance retention
 - Phones and software for in-house fundraising
 - An online alumni tracking system
 - Integrating social media and networking for alumni and development offices

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Given that Metro State was already the lowest funded four-year institution in one of the nation's lowest funded states, making further cuts was not going to be easy.

Metro State the preeminent public urban baccalaureate college, a western version of City College of New York.

And Jordan had no intention of letting a recession get in the way.

So in December of 2008, with the state facing a massive budget shortfall, Jordan

and his team began drawing up a three-tiered plan that would allow the school to deal with an expected cut in state funding the following year.

They designed three options: one if, as predicted, their budget took a ten percent hit; another if the cuts were deeper; and a third for what administrators considered a worst-case scenario. Those were established “with impressively college-wide discussions,” said Kaersvang, who said Jordan has earned widespread respect for his commitment to both the institution and the faculty.

It was a useful, if painful, exercise, according to Phelan. “You learn where your priorities are,” she said.

In May 2009, the school learned that the worst-case scenario had come to pass: Metro State lost \$9.9 million in state appropriations—about 20 percent of its state funding—for this fiscal year.

Yet even though they knew that federal stimulus funding would cover the shortfalls, Jordan and his board resisted the temptation to, as his academic model put it, simply resist. Instead, they followed their plan to absorb the cuts. The good news: The school managed to avoid layoffs. The bad news: It had to eliminate about 100 positions (they had gone unfilled due to a hiring freeze Jordan had imposed previously) and ax a faculty pay-for-performance system that had been in the works for three years.

But by doing so, Metro State has been able to allocate the \$10 million in stimulus money it has received this year to reposition itself for the future. Metro State is anticipating another \$4 million in stimulus funds for the fiscal year that begins in July 2010; if that funding comes through, it will also be spent on these new programs. “It was, in some sense, an opportunity for us,” said Jordan.

The Rightsizing with Technology initiative, designed to increase efficiency by saving time, money and resources, is receiving \$2.6 million in stimulus funds. (Because of restrictions on the use of stimulus funds, the school is spending an additional million dollars out of its general operating budget for associated hardware and software costs.) The ideas for the initiative’s 37 individual projects came from faculty, staff and students. They were chosen from a list of nearly 100 submitted proposals based on two factors: ease of implementation, which was paramount, because the stimulus money has to be spent by July 2011; and projected benefits.

The latter are more difficult to quantify. “Some of these [outcomes] will not be clear for a number of years,” said Robert Williams, who was hired to track the projects’ implementation and results. “Savings is just one aspect of it. We’re also creating new services and increasing efficiency.”

The initiative itself is going well, Williams said, with about half a dozen projects already up and running, including one that makes 3,000 professional development courses available online, free of charge to faculty and staff. But its name was an unfortunate choice, because it led some to suspect the school was in fact planning to downsize. (In the fall, as faculty were just returning to campus and learning the details of the initiative, Williams became accustomed to hearing himself referred to in hushed tones as “the Grim Reaper.”)

In addition, according to Carl Powell, the former vice president of information technology, the initiative faced political pushback from people who felt it was too time-consuming, and that Metro State should simply use the stimulus money as backfill. But Jordan’s support helped minimize the criticisms. “Having the president as chief cheerleader on this helped cut some of the naysayers to the side,” Powell said. “We always kept this as a presidential initiative and didn’t let it slide into being an IT initiative. We always said that would be the kiss of death.”

Jordan and his staff have also held numerous meetings to assure faculty and staff that, rather than reducing personnel, the initiative actually provides for additional hires. At least 17 of the projects will require one or more new employees. “What we did right was being very public about it,” Jordan said.

Now that those concerns have been addressed, Kaersvang said, many faculty members are excited about the addition of new technology, such as a system that will allow them to remotely access their work files and software. “At this point, I



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think faculty are pleased about the process,” she said.

Faculty are also happy that Metro State has earmarked stimulus funding for a retirement-incentive program, the idea for which originated from the faculty. The voluntary program, called Capstone, allows senior faculty who want to retire by July 2011 to shift out of the classroom and work on special projects that will be of long-term benefit to the school. Meanwhile, their salaries will be paid out of stimulus funding—the total cost is anticipated to be between \$1 million and \$2 million, depending on the response—and Metro State can hire less expensive faculty to fill their tenure-track positions.

Anne Hatcher, professor of human services and co-director of the school’s Center for Addiction Studies, is one of three faculty members who have signed up to participate. Thanks to the stimulus funding, Hatcher has been able to drastically reduce her teaching load and devote her time to designing a master’s program in her field that she hopes will be approved and implemented within a few years.

“I’m pleased to have the opportunity to do this, because I worked really hard to build this program, and I think this will just make it stronger,” said Hatcher, adding that many people have told her this is the best legacy she could leave the school.

Metro State also spent stimulus money designing curricula so it could fast-track plans for its very first master’s degree programs. Pending final approval by the North Central Association of Colleges and Schools, all three programs—in teacher education, accountancy and social work—are slated to be offered starting in fall 2010; they are expected to generate income within three years.

Other uses of the stimulus monies include hiring grant writers, who are expected to be self-supporting, and paying for scholarships and some adjunct faculty, which frees up money from the general operating budget for different expenditures, such as replacing outdated equipment.

“At the very time when you would expect the institution to be contracting at all levels, we’ve used this as an opportunity to re-look at ourselves and make ourselves better,” said Cohen, the board vice chair.

Indeed, on the Metro State campus, there is a sense that the school is gaining rather than losing ground. In addition to the stimulus-funded projects, Metro State is proceeding with plans to construct both a new student services building and a hotel where students majoring in hospitality will train. It is working to better serve and recruit Hispanic students en route to its goal of earning Hispanic Serving Institution

designation. It is laying the groundwork for its first-ever capital campaign. And, in the interest of branding, it is exploring the idea of changing its name to something less generic.

“Despite everything going on around us, it feels like we’re really moving forward,” said Sandra Haynes, dean of the school of professional studies.

If there is a downside to Jordan’s entrepreneurial



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leadership, said Phelan, it’s that Metro State may wind up being a victim of its own success. “My worry is that if you present yourself as too self-sufficient, the politicians will latch onto that,” she said.

Lynn Kaersvang, the faculty senate president, shares that concern. She gives Steve Jordan credit for going to bat for the college, and for making the most of scarce resources. But she wonders: “At what point does it become impossible to do more with less? At what point does the infrastructure get thin enough so that it just breaks?” ♦

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