

## **PERFORMANCE MONITORING PROCESS**

### **SUSTAINABILITY IMPROVEMENT PLAN**

#### **ALL GRADUATE PROGRAMS**

This document sets out the policies regarding the Sustainability Improvement Plan and, if deemed necessary, the Sunset Policy for all graduate programs at MSU Denver. The Office of Graduate Studies in conjunction with the Budget Office governs this plan.

#### **The Performance Monitoring Process- *Identified Issue (Fiscal Year 1)***

The Performance Monitoring Process is as follows:

- Each spring and fall semester the graduate program meets with the Budget Office in conjunction with the Office of Graduate Studies to evaluate its current financial position. The Director of the Office of Graduate Studies will communicate any concerns about a program's financial performance to the Graduate Council within two months.
- The fall budget meeting will include a review of any fund balance forward from the prior year. Any deficit will be communicated by the Budget Office to the Office the Graduate Studies to ensure the program complies with the Sustainability Improvement Plan timeline and criteria.
- During the spring budget review, the five-year rolling budget is updated and an analysis of the actual versus budgeted data for the previous fiscal year is provided. The Budget Office will forward this information to the Office of Graduate Studies. The information is available to others upon request.

### **The Sustainability Improvement Plan (SIP)- SIP Year 1 & 2 (Fiscal Years 2 & 3)<sup>1</sup>**

If at any time a program is projected to operate in a deficit after the initial loan period of four years, a Sustainability Improvement Plan must be developed and implemented. The SIP must be prepared and approved by the department and the appropriate academic Dean prior to submission to the Office of Graduate Studies. The SIP must be received by the Office of Graduate Studies by June 1 of the first fiscal year in which a program operates in a projected or actual deficit (following the initial loan period of four years).<sup>2</sup> A program will receive SIP approval or a request for more information by July 1. Final approval by the OGS in conjunction with the Budget Office of the proposed SIP will occur by August 1. The plan must identify methods a program will employ to regain financial stability. A SIP will include the following:

- Identify all paid personnel working within the graduate program including the percentage of time spent and loaded salaries.
- Provide justification for employment of all paid personnel within the graduate program.
- A comparison of actual results with the 5-year projection to identify significant variances between the actual and budgeted results. This will help to (a) identify areas that need improvement (b) re-assess the assumptions underlying the break-even analysis, and (c) identify possible areas of cost cutting/reconstruction.
- An independent verification of market trends and demand (completed by the department) using external secondary research data. This independent verification can include (but is not limited to) information from the following:
  - (1) Employ Google search for job market demand (i.e. “employment demand fine arts,” “employment demand data science”)
  - (2) Bureau of Labor Statistics—Occupational Outlook Handbook  
**<https://www.bls.gov/ooh/>**
  - (3) Bureau of Labor Statistics—Occupational Employment Statistics by State  
**[www.bls.gov.oes](http://www.bls.gov/oes)**
  - (4) Projections Central **[www.projectionscentral.com](http://www.projectionscentral.com)**
  - (5) State Department of Labor website  
**<https://www.colmigateway.com/vosnet/lmi/default.aspx?pu=1&plang=E>**
  - (6) Career One Stop **[www.careeronestop.org](http://www.careeronestop.org)**
  - (7) United States Census Bureau **[www.census.gov](http://www.census.gov)**
- A comprehensive program analysis. Please address the following in the analysis:
  - (1) Describe the ways in which this graduate program was/is successful?
  - (2) Discuss the program’s financial viability. Was this program ever financially viable and/or self-sustaining? If so, what changed? If not, why?

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1 With approval from the Budget Office and OGS programs may extend their time on the SIP if they have enough financial reserves for the extension and program sunset.

2 The fiscal year is July 1-June 30.

- An action/turnaround plan to increase the likelihood of financial sustainability.
  - (1) Through an “apple to apple” comparison, clearly map out your programmatic competitive advantages over the nearest competition (including, but not limited to: UCD, DU, Regis and CSU Global)
  - (2) Identify ways to attract more students and cut program costs
- A reevaluation of whether there is a need for the program.
- A targeted marketing plan designed to increase enrollment.
- A projected graduation/completion rate goal.
- A three-year budget projection analysis incorporating the financial implications of the Sustainability Improvement Plan.

In order to help a program avoid sunset implementation, once a SIP is approved and in place, the graduate program will not be required to participate in revenue sharing.<sup>3</sup> To escape sunset, the graduate program must have: (1) an adjusted positive net income and/or (2) increased enrollment and/or (3) increased completion rates by the fall budget review meeting of its third consecutive year on a performance improvement plan.

#### **Sunset Procedures-** *Sunset Year 1, 2, & 3 (Fiscal Years 4, 5, & 6)*

If after the third consecutive year on a SIP path, a graduate program continues to have (1) projected deficit and/or (2) consistent enrollment decline and/or (3) unsatisfactory completion rates, the program will enter a sunset phase.<sup>4</sup>

Students enrolled in a sunseting graduate program must be given the opportunity to complete their education and/or training in order to obtain their certificate or degree. This is achieved by providing a teach-out plan to students so they are able to complete graduate coursework at MSU Denver prior to the program sunseting. The teach-out is intended to fulfill the original contract between the academic program and the graduate student. Students will have three years/six semesters to complete the certificate or degree once the sunset procedure begins.

Sunset procedural steps include:

- 1- Develop a teach-out plan or agreement and obtain all appropriate approvals.
- 2- Create a detailed budget analysis for the shut-down period of the final 3 years prior to the graduate program sunseting.
- 3- Cease incurring all discretionary costs.
- 4- Identify the source of funding for any shortfall.

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<sup>3</sup> The termination of revenue sharing **does not include the termination of overhead fees**. Overhead fees will continue to accrue throughout the sunseting process.

<sup>4</sup> The Budget Office and the Office of Graduate Studies will notify graduate programs entering the sunset phase during the fall budget review. Programs allocated for sunseting must begin the process during that fall semester immediately following BOT approval of its sunset plan.

- 5- Follow all University, State, and HLC guidelines for discontinuing a program.
- 6- Termination of Faculty and Staff Appointments.<sup>5</sup>

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<sup>5</sup> As described in the Handbook for Professional Personnel.

## The Sustainability Improvement Plan Checklist

If at any time a program is projected to operate in a deficit after the initial loan period of four years, a Sustainability Improvement Plan must be developed and implemented. The SIP must be prepared and approved by the department and the appropriate academic Dean prior to submission to the Office of Graduate Studies. The SIP must be received by the Office of Graduate Studies by June 1 of the first fiscal year in which a program operates in a projected or actual deficit. A program will receive SIP approval or a request for more information by July 1. Final approval by the OGS in conjunction with the Budget Office of the proposed SIP will occur by August 1. The plan must identify methods a program will employ to regain financial stability. The checklist is to help ensure programs on a SIP are providing the requested documentation. A SIP will include the following:

- ☐ Identify all paid personnel working within the graduate program including the percentage of time spent and loaded salaries.
- ☐ Provide justification for employment of all paid personnel within the graduate program.
- ☐ A comparison of actual results with the 5-year projection to identify significant variances between the actual and budgeted results. This will help to (a) identify areas that need improvement (b) re-assess the assumptions underlying the break-even analysis, and (c) identify possible areas of cost cutting/reconstruction.

An independent verification of market trends and demand (completed by the department) using external secondary research data. This independent verification can include (but is not limited to) information from the following:

- ☐ Employ Google search for job market demand (i.e. “employment demand fine arts,” “employment demand data science”)
- ☐ Bureau of Labor Statistics—Occupational Outlook Handbook <https://www.bls.gov/ooh/>
- ☐ Bureau of Labor Statistics—Occupational Employment Statistics by State [www.bls.gov/oes](http://www.bls.gov/oes)
- ☐ Projections Central [www.projectionscentral.com](http://www.projectionscentral.com)
- ☐ State Department of Labor website <https://www.colmigateway.com/vosnet/lmi/default.aspx?pu=1&plang=E>
- ☐ Career One Stop [www.careeronestop.org](http://www.careeronestop.org)
- ☐ United States Census Bureau [www.census.gov](http://www.census.gov)

A comprehensive program analysis. Please address the following in the analysis:

- ☐ Describe the ways in which this graduate program was/is successful?
- ☐ Discuss the program’s financial viability. Was this program ever financially viable and/or self-sustaining? If so, what changed? If not, why?

An action/turnaround plan to increase the likelihood of financial sustainability.

- ☐ Through an “apple to apple” comparison, clearly map out your programmatic competitive advantages over the nearest competition (including, but not limited to: UCD, DU, Regis and CSU Global)
- ☐ Identify ways to attract more students and cut program costs
- ☐ A reevaluation of whether there is a need for the program.
- ☐ A targeted marketing plan designed to increase enrollment.
- ☐ A projected graduation/completion rate goal.
- ☐ A three-year budget projection analysis incorporating the financial implications of the Sustainability Improvement Plan.

Identified Issue (Fiscal Year 1) <sup>6</sup>		
Fall	Spring	Summer
1- During the fall budget review, if the Budget Office projects that a program will be operating in a deficit, or if an unanticipated actual deficit is detected, the program will be put on a SIP by the Office of Graduate Studies (OGS)	1- Program will follow guidelines to establish a SIP. Each SIP will need to be approved by the Department and the Academic Dean  2- During the spring budget review, if the Budget Office no longer projects a deficit, a SIP will no longer be required by the OGS. OR SIP with all approvals will be submitted to OGS by June 1 <sup>st</sup>	1- If OGS requires additional information for the SIP, programs will be notified by July 1 <sup>st</sup>  2- Additional SIP information due to OGS by July 20 <sup>th</sup>  3- Final approval of the SIP by August 1st
SIP Year 1 (Fiscal Year 2) <sup>7</sup>		
Fall	Spring	Summer
1- SIP will be implemented by the program  2- Fall budget meeting will look at projections for the coming year  3- No revenue sharing	1- If during the spring budget review, the Budget Office projects a continued deficit, the program should begin looking at the sunset policy  2- No revenue sharing	1- No revenue sharing  2- Graduate Council recommend sunsetting to Graduate Planning Committee.
SIP Year 2 (Fiscal Year 3) <sup>8</sup>		
Fall	Spring	Summer
1- During the fall budget review, if a program is projected to have an adjusted positive net income, the program will be removed from the SIP. Revenue sharing will begin the following fall (year 4) OR During the fall budget review, if a program is <u>not</u> projected to: have an adjusted positive net income, and/or show consistent enrollment increase, and/or	1- Submit Sunset plan to the OGS by March 1 <sup>st</sup>  2- No revenue sharing  3- Graduate Council to recommend sunsetting to the Graduate Planning Committee	1- No revenue sharing

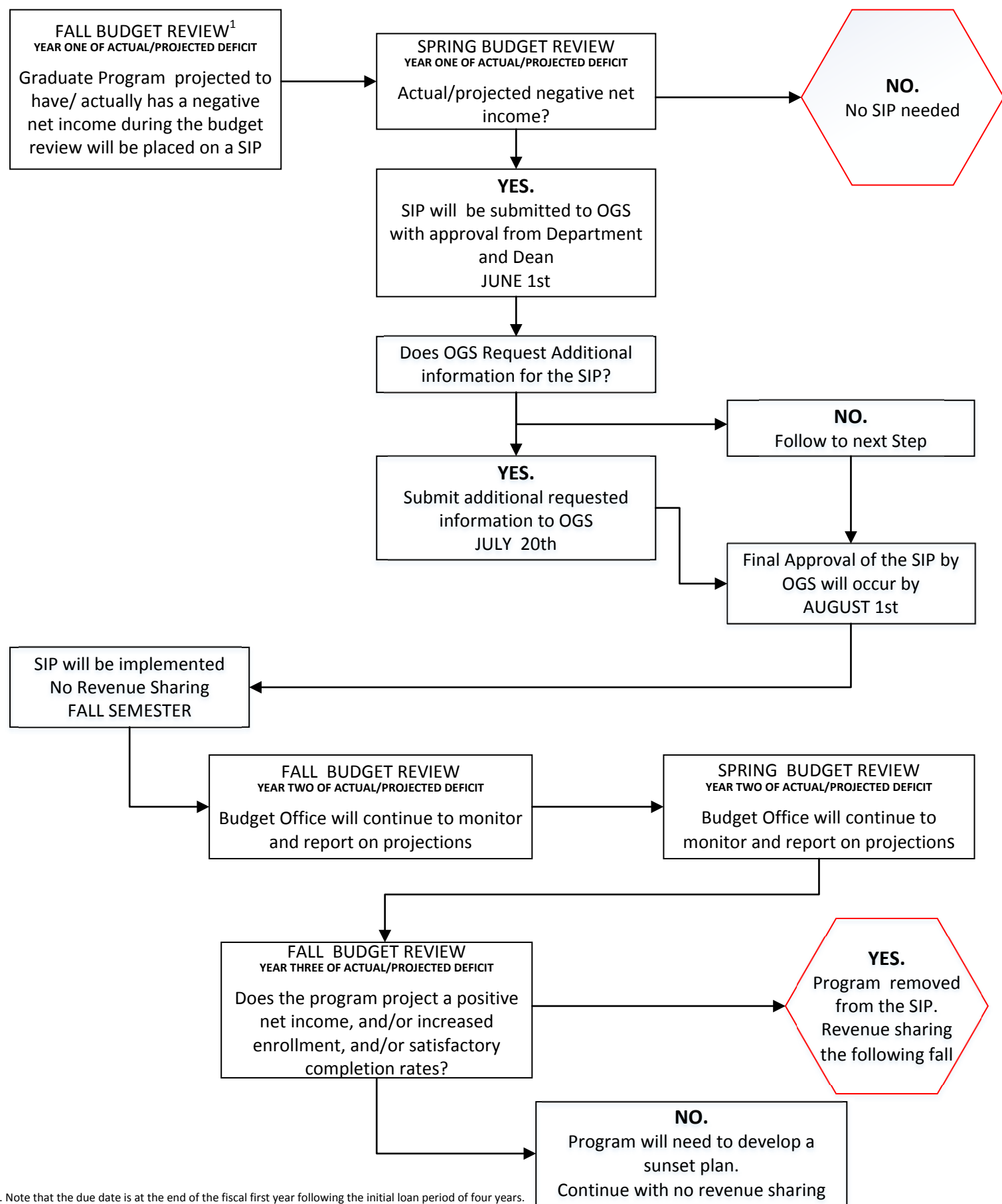
<sup>6</sup> Note the due date is at the end of the first fiscal year following the initial loan period of four years.

<sup>7</sup> Note the SIP implementation begins very early during the second fiscal year following the initial loan period of four years. In other words, the time lapse between final approval of a SIP and implementing a SIP is very short. Final SIP approval occurs no later than August 1 with programmatic SIP implementation occurring at the beginning of that fall semester.

<sup>8</sup> The sunset plan is due to the Office of Graduate Studies by March 1. The Graduate Council will vote on the plan during a special session meeting in mid-March. The Graduate Planning Committee will vote on the plan by March 31. The BOT will vote on the sunset plan at its May meeting.

demonstrate satisfactory completion rates the program will need to develop a sunset plan.  2- No revenue sharing	4- Graduate Planning Committee to determine if a program should go into the Sunset Phase	
Sunset Year 1 (Fiscal Year 4)		
Fall	Spring	Summer
1- Program will begin sunsetting, No new students will be admitted, No new spending permitted, Begin to teach out  2- No revenue sharing	1- No new students will be admitted, No new spending permitted, Continue to teach out  2- No revenue sharing	1- No new students will be admitted, No new spending permitted, Continue to teach out  2- No revenue sharing
Sunset Year 2 (Fiscal Year 5)		
Fall	Spring	Summer
1- No new students will be admitted, No new spending permitted, Continue to teach out  2- No revenue sharing	1- No new students will be admitted, No new spending permitted, Continue to teach out  2- No revenue sharing	1- No new students will be admitted, No new spending permitted, Continue to teach out  2- No revenue sharing
Sunset Year 3 (Fiscal Year 6)		
Fall	Spring	Summer
1- No new students will be admitted, No new spending permitted, Continue to teach out  2- No revenue sharing	1-All students MUST complete their certificate/degree by the end of the semester, No new students will be admitted, No new spending permitted  2- No revenue sharing	

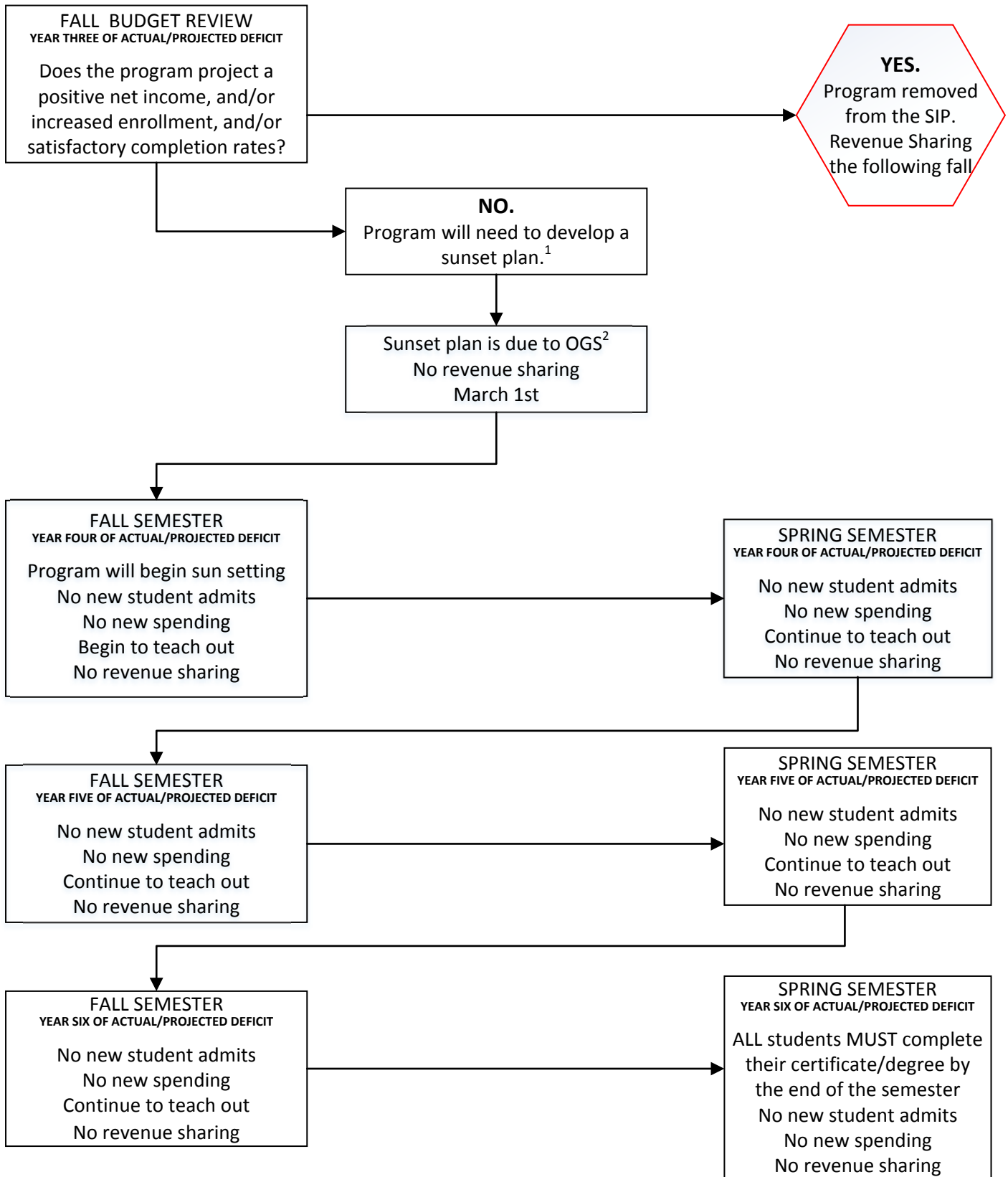
# Sustainability Improvement Plan (SIP) Flow Chart



1. Note that the due date is at the end of the fiscal first year following the initial loan period of four years.



# Sunset Plan Flow Chart



1. Sunset plans are developed after a program has been on a Sustainability Improvement Plan for two years.

2. The Graduate Council will vote on the sunset plan during a special session meeting in mid-March. The Graduate Planning Committee will vote on the sunset plan by March 31. The BOT will vote on the sunset plan in its May meeting.