

Minutes of the National Defense University

Board of Visitors Meeting

The National Defense University Board of Visitors (NDU/BOV) met at Fort Lesley J. McNair in Washington, DC on 10 and 11 December, 2012. The attendance roster and the agenda are attached in Annex A and B, respectively.

Meeting Summary

Monday, December 10, 2012 (Day One)

Dr. Brenda Roth, FACA Designated Federal Official, called the National Defense University Board of Visitors (BOV) to order at 9:00 a.m. She announced that in accordance with the provisions of Public Law 92-463 the meeting would be open to the public until 1630 Monday evening, and again Tuesday from 0900 until 1230. She also announced that General Lloyd Newton USAF (Ret) was recommended by the Board membership to serve as Chair and VADM Vivean Crea USCG (Ret) was recommended to serve as co-Chair. Dr. Roth then turned the meeting over to Gen Newton who expressed his thanks and then quickly moved to introduce the DJ7.

Lieutenant General George Flynn, Director J7

LtGen Flynn spoke at length about the current state of NDU and the Professional Military Education (PME) enterprise as a whole: I came over to give you some big thoughts on what we are doing at NDU. We have been asked to justify how we spend money (like all of government). We have been looking at what we have been doing and what we need to do in the future in education. It's important to develop leaders to deal with budget reductions and other challenges. How do we do that without hurting core mission? We have asked the university to look at itself and assess what it is doing right. Several reviews including management review, Fulford review, Middle States, and others have fed into this assessment.

For the last ten years we have been able to find money but today we need a solid fiscal management plan. The Chairman's focus is on education and creating a sustainable business model. The Board of Visitors can help here. Another thing is moving towards a one university approach. We downsized to a small Board of Visitors. The other part is the Middle States evaluation and the IT infrastructure issue.

We are also currently undergoing a reexamination of joint education. What is the outcome we seek? We have some ideas and attributes and now we want to figure out what the education continuum should be. How do we build on and extend the Goldwater Nichols recommendations? Our soldiers are coming back with battlefield experience and they deserve a quality education. What is our joint education outcome? I want our graduates to be able to have a conversation with George Marshall. How do we define that? When we kicked off the joint education review we identified four attributes: understanding the national security environment, dealing with surprise, dealing with change, and

operating under the commander's intent. These are consistent with over 40 studies on military operations over the last 12 years.

One major issue is that we don't always understand the environment, particularly the need for interagency and multinational collaboration. The recent Capstone concept paper kicks off the next step in addressing these issues. Another challenge comes from the cyber domain. We must work together to overcome these challenges. We need the input and support of the Board of Visitors to help us establish a sustainable, workable model for the next several years.

Discussion

VADM Crea asked if the senior service colleges were involved in the PME review (Yes). Mr. Raymond asked about the definition of Joint Professional Military Education (JPME) and what the role of the Board should be on this issue. LtGen Flynn replied that definitional clarity is a key part of the review and welcomed input from the Board on the matter. Dr. Watson asked about how flexible it was in its capacity to respond to Middles States requirements and also about additional revenue sources specifically the possibility of charging students for classes. LtGen Flynn noted that the funding stream needed to be consistent and meet statutory requirements. Complicating funding stream via reimbursable funds vs direct funds can be trouble, especially if it allows you to stray from your core mission. Finally, Gen Newton asked what the Board could do to help. LtGen Flynn replied that the Board can serve as an outside eye that looks at NDU, its mission, and supporting elements.

After a short break the Board reconvened and offered introductions.

Major General Gregg Martin, NDU President

I am very happy to be here and to be talking to you today. I want to thank each of you for helping us make NDU better. We have incredibly diverse expertise and we have fantastic capabilities at NDU. The photographs around the room show you a bit about what we are and what we do. We recently had President Obama and other defense senior leadership over last week for the WMD Center event.

Have you been over to the classes and met the students? We really want to get you over there to meet and experience our folks. (Introduces the NDU senior leaders on the outside of the room) JFSC is pushing education programs down to Tampa to CENTCOM for the JCWS course. We are going to move this meeting around to see more of NDU – particularly Teddy Roosevelt Hall where National War College is located. Elihu Root had a vision of National War College that focused on educating and developing leaders. Gen Marshall was a great thinker and knew that we needed to win the peace coming after war. He was a communicator and leader with great wisdom, experience, and moral courage. That's the type of leaders we are trying to develop here. We want our students to get into the mix and become leaders. We have a great challenge in reconciling the professional with the bureaucratic. How do the leaders of today manage that?

(Continues introductions of NDU leaders around the other side of the room) We are today teaching NCOs in various programs – Keystone, CISA, and JFSC. Our relationships with the international students have been fantastic. Thank you to all. Now, our intent is to lay everything out on the table for you to look at, chew on, and discuss these issues. I want the relationship with the board to sustain even after we leave here today. With things like personnel management – hiring, ranks, etc.

NDU is a treasure but the environment has changed. I had the privilege to serve with Dempsey and he is a wonderful leader, strategic thinker, with a good understanding of the world and the national security environment. He has laid out the Joint Force 2020 document. Meanwhile the budget crunch has come. NDU grew up for many different needs over time. Dempsey wants us to leverage the best of NDU by reducing stovepipes/barriers in order to focus on one big thing i.e. developing and educating leaders. We will force start this through budget reductions.

The world has gotten more complex. Strategic ends expected of NDU have increased. Money has gone down (\$12mil). How do you create and develop new ways of doing things? The challenge of NDU is mixing its many great elements together to come to a better outcome. NDU can do better with the resources it has! Dempsey created a 3-star position over at J-7 with a massive education portfolio (Flynn). This is using scarcity to force change and encourage improvement. NDU's move from 3-star to 2-star president was another move toward improving through tightening.

A big question now is: Where are your redundancies? We are learning a lot about ourselves. We are also learning where our gaps are. How many WMD experts do we have? How many cyber folks do we have? And how many of these do we need?

The new mission is not really a new mission – it's simply a re-crafting of an old mission that NDU has always had. It tells us that leader development is the one big thing. What we hope to create out of our programs are leaders that are wiser, ethical, strong, built to last, and capable of dealing with complexity and stress. Right now we got hit by the budget cuts. We had internal reviews. The Joint Staff Action Plan (JASP) came through. Decisions have been made and now we are on the NDU Way Ahead. This was really step one.

Now that that is underway, our next big step is to deal with the Middle States accreditation process. They gave us a yellow card for (1) acting separately and not as a single enterprise. They also said that (2) we don't have a strategic planning process where we follow the priorities of strategic plan. (3) They also said that our IT issues are inadequate as they were five years ago. And we need evidence to show we are solving these issues.

Our biggest challenge is figuring out the management and governance portions of this. This is difficult because we are harnessing a historically diverse institution. It is hard work. The Middle States findings confirmed what the Chairman and LtGen Flynn said. These findings were also confirmed in our Command Climate survey over the summer. Once we work ourselves through this adaptation we will be stronger. We need to be able to get better under fiscal constraint.

We have also launched another effort called Taskforce 2020. The big idea is to take a blank canvas and ask how can we be better at a better value? If everybody at NDU is able to work together what can we accomplish? Next we are working on governance and management. The idea of talent/human capital management is very important in this new environment.

You are going to meet with faculty, students, and I hope you have a good time going around and experiencing this university.

Dr. John Yaeger, NDU Vice President of Academic Affairs

I want to talk about the history of the board and its role in accreditation. The environment in the mid-70s was very much like it is today. Congress became very interested in JPME and wanted to understand what DoD was doing. The Clements committee was created to look at the JPME system. It recommended the combination of NWC and ICAF under the National Defense University. The first NDU-P decided they needed a Board of Visitors that combined NWC and ICAF boards and included Clements on the board.

In 1986 Goldwater-Nichols made major changes to the joint officer system, including creating rigorous education standards. A few boards/reviews were created to monitor the academic rigor of NDU. Finally it was decided that civilian masters education would represent *rigorous* education. We are currently making changes to meet Middle States standards but also to get better and to improve ourselves and the university as a whole.

I want to say a few things about Middle States. One challenge we must deal with is that the visits come every 10 years and things can slip in between visits. We must maintain over time, keep our processes and programs up to standard. (Discusses the history of NDU's relationship with Middle States) Middle States came and found that we were not acting as one university, had some IT issues, and issues with leadership stability. We are making changes to improve this where we can. The important part is sustaining improvement over time.

So, Middle States gave us a warning letter and has required us to do a monitoring report. This has given us a new way ahead including, first, the writing of the new strategic plan and then once written using the plan to inform priorities and resource allocation decisions. We created the plan through a cross-university collaborative process. This new plan is a living document that has measurable goals.

The gist of the plan is: Excellence in Teaching, Excellence in Scholarship, Excellence in Support, and Transformation as a Goal.

Discussion

Ms. Leong-Hong asked about the kind of funding NDU receives. Dr. Yaeger replied that NDU lives on single year budgets; this makes financial planning in the out years difficult. Mr. Cannon noted that OSD is NDU's executive agent and they/we are waiting on the outcome of current negotiations on Capitol Hill. Dr. Watson and Dr. Trachtenberg noted that the one year budget process is done on a yearly basis as well. Gen Newton noted that NDU should be able to go beyond Middle States as it is a

military institution. Dr. Trachtenberg stated that Middle States does not look to fail institutions; they will work with you to help address issues.

Colonel Stewart Liles, NDU Chief Information Officer

IT is a symptom of other issues at the university – specifically the strategic planning and management process at the university. Often with IT there is a gap between what you are saying and what I am hearing. Over the years there has grown a lot of technical debt. There are a lot of rules that govern IT (gov, mil, edu). We need to be compliant in the IT space. One thing IT needs to do is configuration management. A key change I am seeing is the organization making changes on how it wants to use technology. We want to be connected, collaborative, and assured.

Another challenge is paying back the debt but then also looking at the inputs and, more importantly, our outputs as an organization. The university must want these items (see Inputs and Outputs slide). We must identify our requirements and train people to use systems.

With Middle States we are taking actions: merge North and South ITD campuses, better IT support contract, training capabilities increased, IT strategic plan. We are improving with new tools as well: Student Information System (SIS), Sharepoint, and Google Apps for government. We also have the Strategic Plan and AY14 POM. All this is evidence for MS.

Discussion

Gen Newton asked about the criteria ITD uses to measure itself. COL Liles noted that he is looking to implement a balanced scorecard. Mr. Raymond asked if there were issues attracting qualified staff. COL Liles replied that day to day tactical operations dominate much of the time. He also noted that finding good leadership in IT will be easier because it appears the organization is more supportive of IT today than in years past. Ms. Leong-Hong asked about the federal vs contract employee mix. COL Liles replied that the contractor and federal employees are an excellent team. Generally the federal employees provide oversight while the contractors execute. Mr. Fraser asked about IT turnover. COL Liles reiterated that he was on a 36 month assignment and that one of his key roles was to build a configuration management system that should simplify processes for the next IT director. Dr. Childs (iCollege) noted that COL Liles was the first NDU CIO to come work with iCollege on these issues collaboratively.

Dr. Watson asked about keeping good faculty and student data and productivity measures. He also asked about the assessment system. Again COL Liles reiterated that he will be implementing the balanced scorecard from south campus. MS. Leong-Hong asked if we have an enterprise architecture council. COL Liles replied that we do not have that specific council right now but do have the Information Technology Strategy Council (ITSC), Academic Computing Environment (ACE) working group, and the New Media working group doing IT things. Mr. Pietropaoli noted that the University Resource Council appears to have faith in IT and IT's ability to improve itself with more resources. Dr. Yaeger reiterated that the IT Plan is important and that what happens with IT should be linked with academics. Dr. Watson suggested regularly budgeting every three years for IT renewal. MG Martin noted that the

big issue comes down to trust; the colleges want to make the IT changes impact their operations in a positive way. Gen Newton and Mr. Fraser both echoed the importance on building trust in an organization like this and in an environment like this.

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Dr. John Yaeger, NDU Vice President of Academic Affairs

Returning from the break Dr. Yaeger asked for additional questions. Dr. Trachtenberg noted that in the Middle States process it is important to keep NDU's culture alive and well. Mr. Fraser noted that in choosing to centralize things one may lose passion for specific programs; it is important that NDU does not lose this passion.

Dr. Yaeger then moved to the next presentation. Looking at ourselves post-Middle States we found that we don't really know exactly how we govern ourselves and make decisions. We undertook a few studies to address this issue. So, what does MS want to see? (Standard 4) One of the important governance pieces is shared governance. This means that we take input for decisions from everybody and include the community in decision making processes. Key to making shared governance work is establishing mutual respect and trust. This point came out in the command climate survey – the colleges don't trust one another nor do they trust central NDU.

(Slide with governance structure laid out) This is the structure we have now after some reorganization. It may be working well or it may not be working as well as it could.

Discussion

VADM Crea asked about the University Resources Council (URC). Mr. Cannon and Mr Petropoli replied that the URC decisions role up to the Executive Council and ultimately to the NDU-P. Both recognized that the URC has been much more effective as of late. The new Strategic Plan was mentioned as a good way forward for the URC, a plan to resource against. Mr. Fraser noted that implementation of the Strategic Plan will be key and that feedback loops are vitally important in allowing it to succeed. Dr. Watson asked about the roles and responsibilities of the councils. Several individuals responded noting that there is some confusion over the advisory vs decision making role of these bodies, that leadership turnover does not help clarify this, and that trust is vitally important in allowing the governance system to operate effectively. Ms. Leong-Hong noted that in an organization as large as NDU decision making should occur at lower levels than the NDU-P. She also noted that trust is built through action, not commanded.

MG Martin thanked the group for a great discussion and talked about how this is a period of reflection when hard decisions have to be made. Mr. Fraser commended the NDU-P for his charisma and motivating message. Gen Newton asked if enough people had bought into the plan. Several replies noted that, again, trust was key to bringing folks on board and that we have excellence in our colleges/centers, but need to build this same level of excellence at the NDU level. Gen Newton wondered if perhaps the university needs a view from someone outside, some to help the move to one

university and the new strategic plan. Dr. Trachtenberg noted that we have to be careful about expectations in organizational consolidation. He used as examples Case Western University and the SUNY system to illustrate the difficulties of consolidation. Dr. Yaeger then introduced the new NDU vision, mission and goals. Dr. Trachtenberg noted that scholarship is changing in higher education, that it is becoming a more collaborative exercise. Finally, a few participants mentioned again the importance of trust and the need for trust to keep the workforce optimistic about the future of NDU.

Jay Helming, Resource Management Director NDU

Today I am going to talk about the FY13 budget, our challenges in relation to Middle States, our fiscal planning process, and current move to create management structures. I ask you to please share any questions and comments during any part of the briefing.

From FY09-11 NDU was in a funding growth period. In FY 13 the budget dropped from \$98mil to \$85mil. There was no initial plan on how to do these reductions. We quickly came up with a reduction process in about 4-5 months out of necessity (briefed to Joint Staff). We are solvent to execute the \$85mil. The colleges were heavily involved in the process. Things going on in Congress today can have some significant impact on us. In recent weeks the US House took \$3mil out of NDU budget but Senate restored it. We are waiting for the two sides to come to agreement on the issue. Most of our decisions are, in fact, current budget decisions. We need to be thinking outward toward 2015 and perhaps beyond.

Middle States recognized that we don't have a good programming process. We also do not have a good process for documenting fiscal decision making. It is a symptom of our lack of programming process. We also need to assess ourselves constantly while building a body of evidence that we are following our new strategic plan.

Right now we are at the beginning of building the budget for FY15. We work off of the strategic plan. We need to look at where we want to go. The programming part is where we task out options and cost estimates on different courses of action. For instance, do we need to invest in certain areas over others? By March we have to balance our budget. Right now we have a shortfall for FY15. Decisions will have to be made. Next we start talking to stakeholders. We also have had multiple briefings and discussion with J7 to keep them informed. They can help us pull through this process. We are trying to push the decisions into the out years – planning for the future in 2015 rather than today.

Discussion

Gen Newton asked about the strategic plan and its role in resource planning. Mr. Helming replied that programming guidance is based on the strategic plan's four goals and that this guidance is being used to construct the FY15 budget. He also noted that they are currently in the process of working on a new title X compensation policy and solicited feedback from the group. Dr. Watson noted that at South Carolina faculty salaries are allocated from a central fund and that the distinctions between assistant, associate, and full professor are laid out. He reiterated the importance of tying evaluations to the strategic plan. There was then some discussion about using incentives to facilitate

collaboration across the university. Mr. Helming talked about how the compensation committee is looking to make appropriate comparisons with other organizations. There was a brief exchange about reimbursables and the issues involved in accepting outside funds from organizations with their own interests and goals. These projects bring in money but may encourage NDU to stray from its core mission. Col. Vuono noted that MS commended NDU's research components and that the research arm is currently moving to become more integrated and supportive of the teaching mission. Dr. Trachtenberg asked about the effects of the fiscal cliff. Mr. Helming noted that there was minimal guidance except to prepare as though a government shutdown is coming. Finally there was a brief exchange about faculty hiring and the importance of having the faculty with the right areas of expertise and skills.

Tuesday, December 11, 2012 (Day Two)

The second day began with a discussion about awarding an honorary degree from NDU. Dr. John Ballard of NDU nominated Colin Powell. This nomination was confirmed by Gen Newton and seconded by Ms. Leong-Hong and Dr. Trachtenberg.

Ms. Cathleen Pearl, NDU Foundation

The foundation was founded in 1982 and is designed to assist the university in its outreach mission. If you look back five years the foundation has maintained its level of support. We receive roughly half a million dollars of giving every year. We are looking for ways to improve what we do and expand our network. We support the entire university – all colleges and components. The foundation endowed the Colin Powell Chair in INSEL. We also support special collections, excellence in student writing, and faculty development. We have recently had a soft launch of the national security circle. We are trying to cross pollinate across the university including JFSC. Outreach is our number one priority. We are great at telling what NDU is through events like the Annual Patriot Award. We use outreach to bring folks here to see what the university has to offer. We see ourselves as a bridge between the university and the outside world.

Dr. Michael Bell, Chancellor of the College of International Security Affairs

Today I am going to present to you the NDU 2020 Design Paper – but first I'll explain the purpose of this paper. Gen Dempsey directed NDU to transform, refocus, and break out. I was asked to head this NDU 2020 group by MG Martin. Initially I had several questions – was this going to be open? What was the time frame? We decided to make this as open as possible.

We formed working groups with one (1) focused on what we should be teaching, how we should be doing it, what methods to use and the other (2) focused on structural changes at NDU to get us there. We set up some feedback sessions from students and faculty to see what they were thinking about. Many folks thought we didn't need to change. The design paper tries to identify what the primary problem is that we are trying to address.

Please feel free to ask/challenge anything I have up here. The Chairman asked us to transform. So in the draft we are talking about how NDU needs to evolve and reform. Why? (1) World is changing, (2) JF 2020 vision (3) Need to meet the needs of students and warfighters of the future. These combine with near-term fiscal and operational considerations to provide a clear imperative for change. NDU TF 2020 will next develop a campaign plan for carrying out the actions and initiatives of the next 8 years.

Discussion

Gen Newton asked about the timeframe for Taskforce 2020. Dr. Bell replied that there were both short and long term initiatives included. A question was asked about NDU's competition. It was noted that the service war colleges and senior fellowships at civilian university are alternatives to NDU and that the services ultimately run personnel systems and therefore decide which students go where. NDU also competes with the senior service schools for quality faculty as well. MG Martin noted the incentive of service schools to retain their best students. Mr. Raymond brought up the issue of measuring student progress after NDU. Dr. Bell noted that Taskforce 2020 has discussed the idea of having a selective examination for applicants and that the war colleges track their graduates after leaving NDU. He also mentioned that the Taskforce was looking at ways of making the NDU experience more student-centric by offering more academic flexibility. Dr. Bell then continued the presentation highlighting NDU's strengths as an institution and the need to retain these elements as we innovate. He also noted a few of the challenges faced at the moment, particularly the difficulty in instituting a transparent planning process and communicating across the institution.

Ms. Lynn Simpson, Senior Advisor to the NDU-P

Today I'm going to talk about talent management. One of the things they asked me to do when I came on here at NDU was to help advise on human capital management issues. Through my discussions I found that I very much align with Dr Yaeger and his initiatives in the Academic Affairs Office. So what are the challenges? For one, a major issue is defining what we are after and what we are trying to get after. An important element is hiring, developing, and retaining the right people. There is another component of talent management and that is compensation. We want to define what the structure of talent at NDU is – we want people to know when they come here what they can move up to and how.

In May we started up a small compensation committee. The first question was how do we compare to other institutions? At first it looked like our salaries were too high. But then we measured ourselves against comparable DOD education facilities and found we were right in line. Now we are looking to create development paths.

Discussion

Several board members asked about faculty compensation at NDU including its comparability to other institutions. Ms. Simpson replied that NDU is unique as a government funded institution with unique requirements for faculty members (no grad assistants, no tenure, etc). Right now the talent management piece is being incorporated into the strategic plan and the clarification of roles and

requirements for different skill sets across the university. A working group is currently working on the compensation policy. At present we are looking to get feedback from the faculty on how to do this; how to attract, develop, and retain the best workforce possible. Lately the issue of compensation has come under the spotlight especially regarding senior staff. The current work group is drawn from across the university and we are next going to look at the process for new hiring and renewals. Mr. Fraser asked about the impact of potential budget cuts. He was informed that though there is concern, anxiety is lessening as communication about the process and the intent is improved. Several board members commented that this is not uncommon, budget issues will cause anxiety among the faculty at public and private institutions alike. It is important to address these issues head on.

Ms. Simpson then asked the group about desirable faculty and administrator attributes and requirements. Dr. Watson acknowledged that every institution was different but that it is important to tie evaluations to compensation. At his university faculty salaries are reviewed by a faculty committee which submits recommendations to administrators. MG Martin and Dr. Yaeger reiterated the importance of assessing faculty with a process that is appropriate to NDU. There was then some discussion about getting more transparency on the expertise and talent at the university.

Gen Newton moved to wrap the meeting up by discussing the difficulties of making changes. Mr. Cannon briefly commented on some resource issues involving the fiscal cliff. There was some discussion about the NDU Foundation and the board asked if next meeting they could get a comparison of the NDU Foundation budget and activities with other universities. MG Martin concluded the meeting by thanking the board members and for all their support and assistance.

Appendix A: National Defense University

Board of Visitors Attendance Roster

1. Vice Admiral Vivien Crea, USCG (Ret.)
2. Captain John Fraser, USN (Ret.)
3. Ms Belkis Leong-Hong
4. General Lloyd Newton, USAF (Ret.)
5. Mr. Douglas Raymond
6. Dr. Stephen Trachtenberg
7. Dr. Lemuel Watson

Appendix B: National Defense University

Board of Visitors Agenda

Monday, December 10, 2012

0900	Call to Order	Dr. Brenda Roth, Designated Federal Officer (DFO) and Deputy Vice President for Academic Affairs
0900-0905	Administrative Notes	Dr. Brenda Roth General Lloyd Newton, USAF (Retired)
0905-1000	Remarks	Lieutenant General George Flynn Director, Joint Force Development (J-7)
1000-1115	State of the University	Major General Gregg F. Martin, Ph.D. 14 th President
1115-1215	Middle States Commission on Higher Education/Characteristics of Excellence	Dr. John Yaeger, VP, Academic Affairs Colonel Stewart Liles, Chief Information Officer
1230-1330	Lunch	
1345-1500	NDU Governance	Dr. John Yaeger VP, Academic Affairs
1500-1515	BREAK	
1515-1630	NDU Finances	Mr. Jay Helming, Director, Resources Ms. Cathleen Pearl, NDU Foundation
1630	Meeting Ends for the Day	Dr. Brenda Roth

Tuesday, December 11, 2012

0900	Call to Order	Dr. Brenda Roth
0900-0915	Group Photo	Board and Select Senior Leaders
0915-0930	Honorary Degree	Dr. John Yaeger
0930-1045	NDU Task Force 2020	Dr. Michael S. Bell Chancellor, CISA
1045-1145	Managing Human Capital	Ms. Lynn Simpson, Senior Advisor, Human Resources
1145-1230	Wrap-up	Board Members/General Martin
1230	Meeting Adjourns	Dr. Brenda Roth