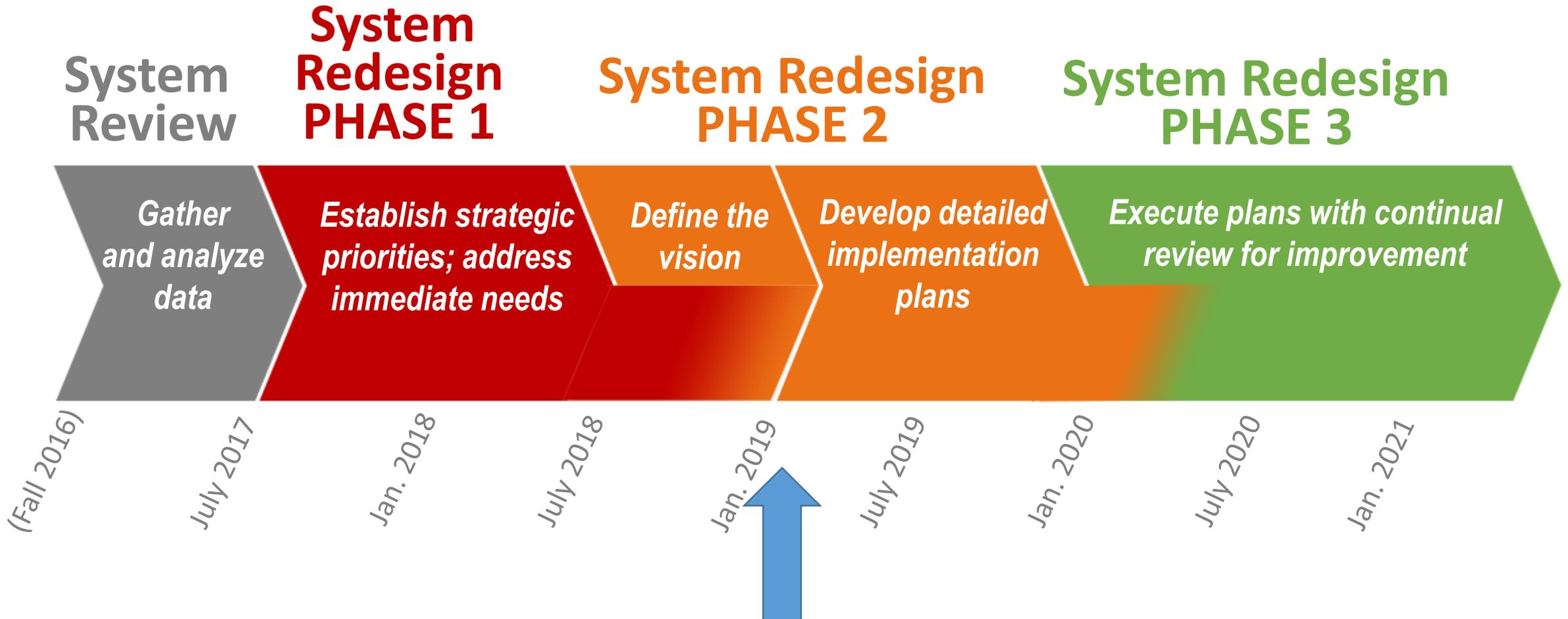


System Redesign Strategy Overview

Including recommendations to the Board of Governors
for consideration at its meeting on Jan 16-17, 2019

System Redesign. Projected Timeline



Where we are

Our situation today:

- 14 universities deeply embedded in their communities
- approximately 100,000 students
- offer affordable, high quality education
 - career relevant
 - workforce-aligned credentialing programs

We are challenged by

- increasing marketplace competition
 - declining numbers of high school graduates/year
 - excess capacity in higher education market
 - internal competition within the State System
- low per capita public funding
 - 47th in the nation
 - forced overreliance on tuition as a revenue source
 - shrinking enrollment
- each of our universities bears the financial stress of any one of them

**Market
dynamics
necessitate
change**

Where we are

Well positioned to succeed with a fundamental transformation

- there is optimism and appetite for change at every level
- university leadership brings fresh perspective
 - energetic
 - engaged
 - committed
- broad based support for transformation from
 - Board of Governors
 - Trustees
 - elected officials
- System has great data to guide decision making
- Successful change is underway at the System Office

Strategy and momentum are coming together for System Redesign

Where are we going?

A framework for System Redesign

Expand opportunities for students and increase the value of the System by working collaboratively and leveraging operating scale to:

Reduce costs

- share academic, business, and administrative functions
- bring capacity into alignment with enrollments

Grow revenues

- improve retention rates of enrolled students
- enter new student markets
 - adult degree completion, non-degree, reskilling, upskilling
- develop alternative revenue streams
 - public-private partnerships
 - donor and alumni development
- restructure pricing to boost affordability and grow enrollments

**Become a
Sharing System**

Where are we going?

A framework for System Redesign

Build goal-oriented management tools around student and university success measures to:

- guide system-level investments
- promote transparency and continuous improvement
- assure individual and institutional accountability
- build collaborative culture focused on shared success

Retool budgeting and investment practices to:

- ensure student affordability and success
- grow revenue-generating activities while sustaining initiatives in which the value is not defined solely by financial performance

**Become a
Sharing System**

Where are we going?

A framework for System Redesign

Strengthen governance structures, communications and advocacy efforts

- Clarify roles, responsibilities, accountabilities, and performance expectations for
 - Board of Governors
 - Council of Trustees
 - Chancellor
 - University presidents
- Strengthen shared governance
- Strengthen communication and advocacy efforts to increase impact with students, public and private investors and the public
- Foster culture of open, honest communication

**Become a
Sharing System**

Where are we going?

A framework for System Redesign

Restructure System office to focus on:

- analytical and consultative change leadership
- client-oriented execution of functions managed by the Chancellor's office
- supporting employee development system wide at all levels
- aligning strategic communications and advocacy efforts
- engaging effectively with policy makers and with statewide and national entities
- supporting university adherence to state and federal laws, regulations, rules, policies

Partner with stakeholders to address state-wide issues:

- statutory and regulatory constraints that add cost and/or impede responsiveness
- public investment policies that increase student costs and/or weaken education-workforce pipelines

**Become a
Sharing System**

Recommendations for Board consideration

1. Adopt the framework for System Redesign including the recommendation to become a sharing system “where universities work interdependently—leveraging their combined scale to maximize students' access to academic programs, experiential learning opportunities, career placement, and more” by:

- expanding student access to the full breadth of programs system wide
- improving students' outcomes while enriching the quality of their experience
- ensuring that educational pathways lead students into sustaining careers
- meeting the needs of new student groups
- reducing operating costs by using shared infrastructure, services and programs
- developing new revenue streams

**Adopt the
framework for
building our
future**

Recommendations for Board consideration

2. Endorse the scope of measures recommended for building goals or standards around student and university success

Students' academic progress

- credit completion ratio
- graduation rate*

Post-graduation outcomes

- earnings thresholds*

Student affordability

- average unmet need, average net price*

University financial strength

- selected financial ratios

University progress in building alternative revenue streams

Effectiveness of university in:

- consistently meeting student success goals
- acting in support of the sharing system

**indicates measures we will seek to disaggregate by student group*

**Endorse the
scope of
measures for
student and
university
success**

Recommendations for Board consideration

3. Affirm next steps for System Redesign

Develop detailed plans for leveraging the system's operating scale to:

- expand opportunities, curtail cost, grow revenues

Develop and implement goal-oriented enterprise management tools

Retool budget and investment processes:

- university and system budgeting and budget approval
- appropriation allocation process
- tuition-setting policies and practices

Continue clarifying governance structures

Continue restructuring the Office of the Chancellor

**Affirm next steps
for System
Redesign**

System Redesign. Projected Timeline

