System Redesign | Update
(as of October 21, 2019)

The State System is redesigning itself in response to an array of challenges that confront public higher education nationally, but are acutely concentrated in Pennsylvania. As such, all eyes are on Pennsylvania as it draws on lessons learned from more focused efforts in other states in order to fundamentally transform its education and business models—allowing it to sustainably drive economic development and social mobility into the 21st century. What began as a top-to-bottom System Review in 2016-17, soon transitioned into Phase 1 of System Redesign in 2017-18, Phase 2 in 2018-19, and is now rapidly moving forward according to the following timeline:

The State System’s 14 public universities serve nearly 100,000 students across the Commonwealth and are engines of economic activity for their communities and their regions. Once the System is transformed,

- **State System students will:**
  - post best-in-class outcomes measured in timely credential completion, job placement, salary gains, and social mobility—significantly reducing or eliminating gaps between rich and poor, and students of all racial and ethnic backgrounds.

- **State System universities will:**
  - be the most affordable and accessible postsecondary option for all Pennsylvanians, disproportionately serving low-income students and students of color as well as first-time and returning adults;
  - satisfy the needs of students and employers with degrees that align to workforce opportunities and credentials that satisfy those looking to re-skill or upskill;
  - return year-on-year economic growth in their regions and serve as a barrier against economic downturn;
- attract and retain great faculty and staff, returning best-in-class employee satisfaction, and engagement survey results; and
- operate efficiently and sustainably.

System Redesign is using an intensively data-driven approach to strategy, planning, and execution, and drawing from a data warehouse with world-class student, education, graduate employment/salary, and university and System financial data. Implementation is being driven by inclusive teams supported from the chancellor’s office—working collaboratively and transparently across the System in five interrelated areas to:

- **Enhance** organizational culture and talent by investing in employees’ success.
- **Build** a shared, modernized educational and business infrastructure utilized by all universities.
- **Identify & scale** innovations that work to improve student success and reach new, high-need student and employer markets.
- **Strengthen** governance and accountability to drive individual and institutional performance.
- **Engage** partners across the nation, the Commonwealth, and within the General Assembly.

### Progress to-date

Foundational building blocks have been laid relative to vision, mission, goals, people, governance, and structure so that faculty, staff, leaders, trustees, Board members, and partners in the General Assembly are aligned and moving in the same direction. A team-based approach to moving the work forward has been launched to ensure efforts are:

- **Transparent**—the work of System Redesign teams is published online to enable and invite community engagement.
- **Inclusive** of all key stakeholders—faculty, staff, students, university and System leadership, etc.
- **Capable** of efficiently enlisting talent at all levels of a university and distributing the workload so redesign takes place even as the $2.3B enterprise carries on daily operations.
- **Clear** with respect of the roles, responsibilities, decision rights, and expectations of redesign teams and their members.
- **Supported** by the chancellor’s office with a coordinated approach to project management.

A detailed implementation framework has been developed and is being operationalized, with significant progress made in each of its five focus areas. An analytically-driven approach that integrates field research and experience has been deployed to rapidly identify, pilot, and scale innovations that promise to:

- **Expand educational opportunity**—students at any university have access to courses and programs at every university;
- **Improve educational attainment**—strengthening student pipelines, and improving academic and financial aid advising, and financial aid packaging;
- **Improve post-graduation success**—partnering with employers to develop workforce-aligned credentials and work-based learning opportunities; strengthening career advising; expanding prior learning assessment; and reskilling and upskilling adult students—all while providing students with a toolkit of “soft skills” that prepare them to be leaders; and
- **Drive regional economic development**—through innovative community and employer partnerships and integration with state-sponsored efforts.
Realizing the full potential of System Redesign will require investment that is being actively sought from the Commonwealth of Pennsylvania, private donors, national funding agencies, private philanthropies, and through public/private partnerships. These investments will be combined with seed funding from the chancellor’s office, with efficiency gains resulting from early restructuring and shared services efforts, and with funds available to the chancellor from the System’s Foundation to advance the System’s transformation.

The Board of Governors has taken bold action this year to ensure the System and its universities have the tools necessary to realize System Redesign’s full potential. Some examples of landmark decisions made by the Board include:

- **Freezing in-state tuition for the first time in over 20 years** because affordability is a key component of the System’s mission and critical to student success.
- **Implementing a systemwide University Financial Sustainability Policy** to give greater visibility into university fiscal health, allowing leaders from across the System to better collaborate in ensuring the financial viability of every institution.
- **Establishing a shared services consortium** that will build a “Sharing System” to harness the power of its massive scale to drive down costs, optimize core business functions, and invest more in student success.

The graphic above captures the aggregate responses from more than 900 staff, faculty, and some students who were asked if the universities are ready, willing, and able to change. Here are some take-aways:

- The data suggest everyone across the State System is clearly READY for change: 75% agree with statements about their university facing significant competitive challenges, needing to improve performance to compete, and about people in “my unit” or the university being ready to change.
- 55% perceived a WILLINGNESS to change. Though, fully 91% of respondents agree they are willing to change their role if it helps improve the university’s performance—showing an incredible dedication and commitment to mission.
Finally, while respondents feel they are individually ABLE to change—and to a slightly lesser extent so are people in their areas—the same respondents are doubtful about the ability of their broader university to change and about leadership commitment/support for that change (39% perceive an overall ability to change).

The word cloud to the right was generated by responses to a systemwide survey of students, faculty, and staff when asked to describe System Redesign in one word. There is significant hope and optimism across the State System—mixed with healthy caution and skepticism—that the System Redesign will ensure the 14 universities within the System are on a sustainable path for the future.

Follow progress of the System Redesign online at www.passhe.edu/systemredesign.