SYSTEM REDesign Phase 2
Systemnessness Task Group

Nov. 12, 2018
Agenda – 11/12/18

1. Task group orientation
   a. Expectations
      i. Review task group charge
      ii. Task group goal
   b. Discussion of draft taxonomy

2. Next Steps
   a. Method of operation
   b. Future meeting dates
   c. Questions, suggestions
Systemness Task Group

**CHARGE**

*Purpose:* To recommend to the Board for consideration models for how the System should work in supporting student success and university success.

For each model that is proposed, the task group will identify strengths and potential weaknesses, as well as any implications it identifies with respect to how we think about the System’s role, its governance, strategies, and resource planning approaches, etc.

In developing its recommendations, the task group will review, consider, and revise a taxonomy of system models, with each identifying key attributes, strengths, and weaknesses (an example of a model might be – a loosely federated system of wholly independent entities each responsible for its own financial sustainability with support of state funding that is distributed – the “Harvard” model).
Systemness Task Group Goal

The goal of the group is to develop—for consideration by the Board of Governors—a taxonomy of system models or archetypes and for each archetype evaluate implications with respect of:

**Impacts**
- on students (outcomes and the student experience)

**Cost of implementation**
- Does the system have or have access to necessary resources

**Degree of difficulty at implementation**
- University and System governance (including roles of the Board and Councils of Trustees)
- Compliance and regulatory function
- Distribution of public allocation and tuition setting
- Roles and responsibilities of the Office of the Chancellor

**Other considerations**
- University / University brand viability
- Resiliency given anticipated further changes in economic, political, and demographic trends
Systemness Task Group Goal (continued)

The group should also:

- identify the System’s current model; initial thought is that it is a “pragmatic model,” which reactively integrates elements of the three market driven models, and
- develop scenarios—referencing archetype exemplars where available—to concretize presentation to the Board.

For the most promising models, it may be appropriate at a second stage to show in outline terms implications for distributing the public allocation of funds.
# DRAF Taxonomy of System Archetypes

<table>
<thead>
<tr>
<th>Market Driven Models</th>
<th>Deep Resource Sharing Models</th>
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<tbody>
<tr>
<td>1. Pure</td>
<td>4. Hub and Spoke</td>
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<tr>
<td>2. Modified</td>
<td>5. Multiple Hubs and Spokes</td>
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</tbody>
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1. Purely market driven (sink or swim)

Universities are entirely self-sufficient financially, wholly responsible for their P&L. Public allocation is distributed on a normalized basis (e.g., by FTE) and not weighted for any other characteristic.

Goal: sustainability of student opportunity at financially successful universities; brand differentiation
2. Modified market driven

As above, only a range of shared services are available from the commons on an opt-in basis to help universities achieve cost efficiencies in back-office functions and common administrative functions (e.g., far down the value chain). Shared services are:

- Mandatory and/or (SUNY)
- Offered on an op-in basis (UC)

Goal: as above, only leveraging lower back-end cost structures in order to potentially lower the cost to students (and serving a broader demographic) while boosting the institutional survival rate; thereby, sustaining greater regional relevance or identifying a niche.
3. Regulated market driven

As above (under either 1 or 2), except that the public allocation is distributed in a "weighted manner" that is driven by specific proprieties (e.g., advantage small colleges, reward certain outcomes).

Goal: as above, also optimizes around sustaining some historic regional or niche institutions at the cost of brand differentiation.
4. Single Hub and Spoke

A mother-ship institution provides academic and back-end business and administrative functions that are utilized by branch campuses to support students in region (WGU, several for-profits e.g. Career Ed, Penn State to a limited extent)

Goal: optimize for regional breadth of affordable high quality higher education but with limited local variation/distinctiveness and brand
5. Multiple Hubs and Spokes

As above, only this envisages regional hubs (or mother ships) with their own satellite campuses (Arizona, CN)

Goal: as above, only with a greater degree of localization as possible within broad region (e.g., western PA)
6. “Intel Inside”

In this model, universities are largely independent entities responsible for their own trajectories and brands, but not for managing the full stack of academic, administrative and business operations. Instead, they source academic, administrative, and business functions from third parties (including those managing shared services), to meet the needs of their students and communities with respect of cost, programming, etc.

Goal: as hub and spoke only ensuring greater brand differentiation