



System Review Update

PACT Meeting

October 17, 2017



NCHEMS Report Released

July 2017

Preliminary Recommendations: July 12-13

- Board of Governors at public meeting
- Trustees and Presidents
- Union leaders
- Legislative stakeholders
- Student representatives

Final Report: July 21



NCHEMS Findings and Recommendations

***Note: all graphics in this presentation
are from the NCHEMS final report.***

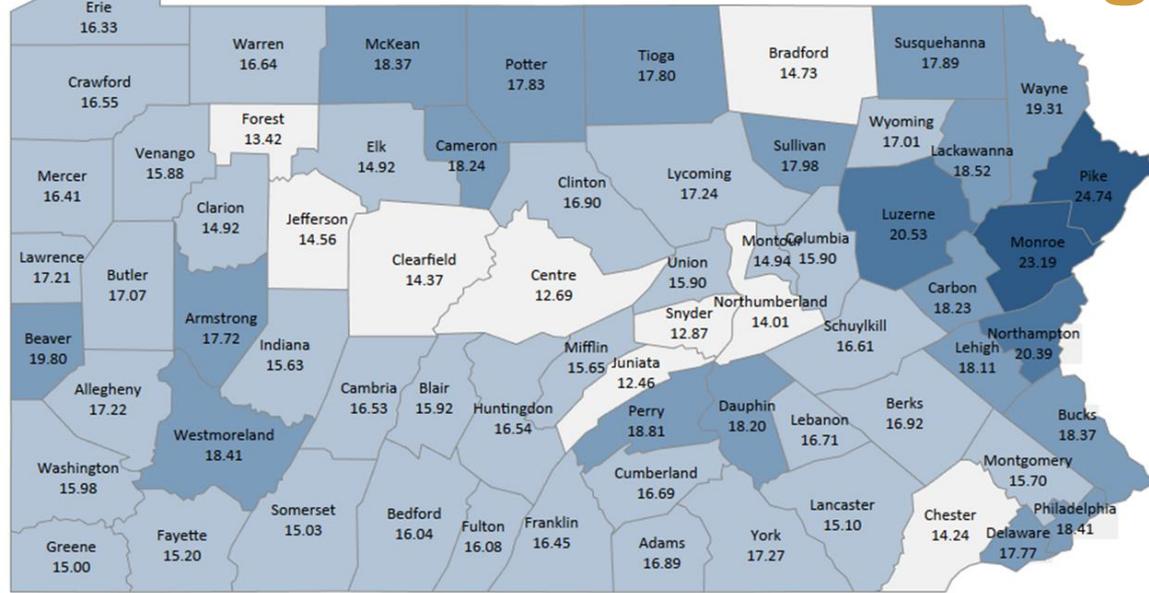


NCHEMS Observations

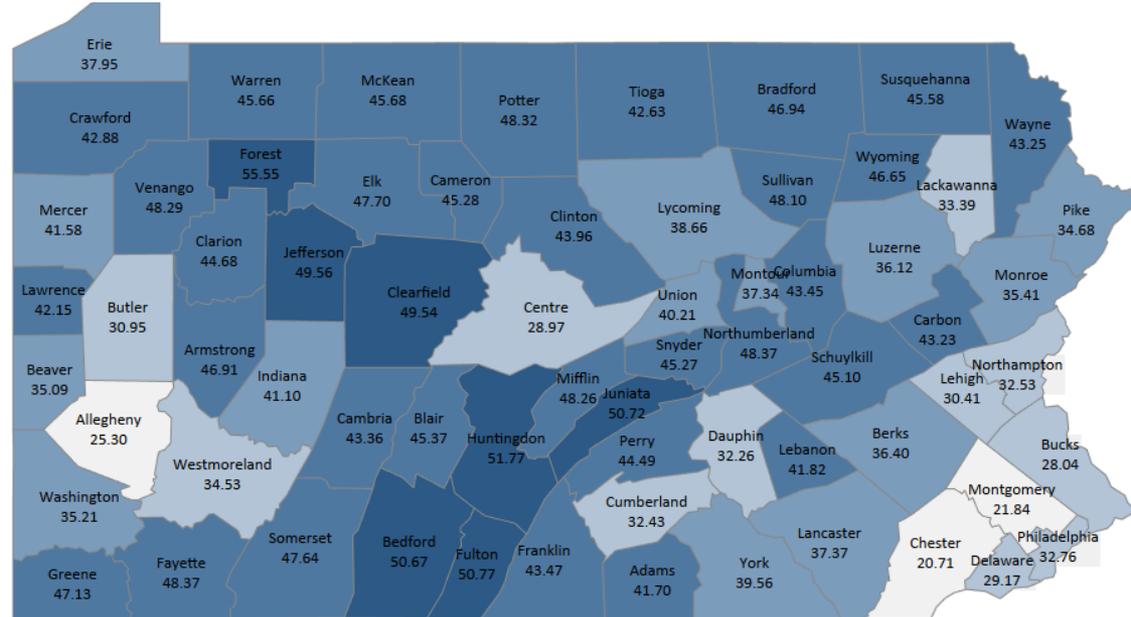
- Unfavorable demographic changes
- Eroding financial support
- Lack of trust among key stakeholders
- Regulatory and compliance approach of System
- Dysfunctional governance structure
- Lack of state policy leadership for all postsecondary education

Percent of Adults* Aged 25-64 with...

...some college,
no degree



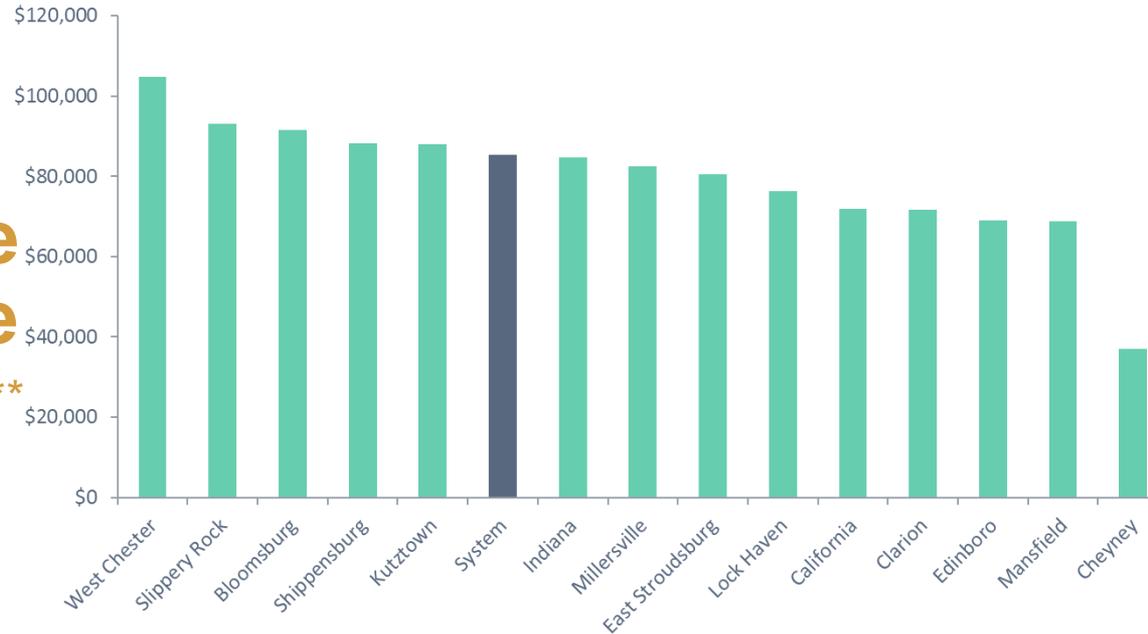
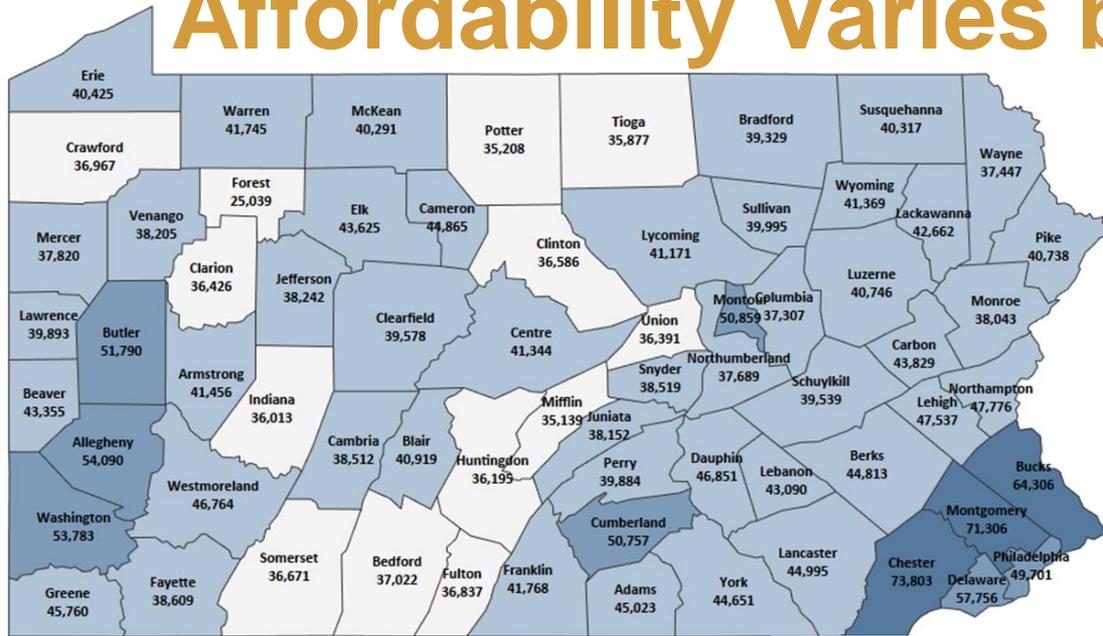
...no postsecondary
education



*High school graduates
NCHEMS Source:
U.S. Census Bureau

Affordability Varies by Region

Per Capita Income By County, 2015*



Average Family Income

Fall 2015 Undergraduates**

NCHEMS Source:

*Bureau of Economic Analysis

**PASSHE, FAFSA filers only



NCHEMS Principles

- First priority: Needs of students
- Efforts to serve students/regions should inform statewide needs and investment opportunities
- Ensure high-quality, affordable education is available to residents in all parts of Commonwealth
- Recognize differences among universities and regions; provide for local flexibility and ingenuity
- Establish a network of delivery and shared capacity
- Develop a climate of trust, mutual respect, and transparency with stakeholders at all levels



NCHEMS Recommendations

1. System and all universities are essential to provide high-quality, affordable education in all regions.
2. **Amend Act 188 to change governance structure.**
3. Reorient Board and Office of Chancellor to strategic leadership.
4. Reconfigure universities to leverage System/regional resources to deliver programs/services more efficiently.
5. Adopt strategic financing model that is better fit for varied circumstances and encourages collaboration vs. competition.
6. Ensure future collective bargaining agreements promote nimbleness (local and System) and are financially feasible.
7. Develop robust shared governance.
8. Create early/phased retirement incentives to align staffing levels with enrollment changes.
9. **Establish statewide postsecondary policy entity.**



Moving from System Review to System Redesign



Continued Discussions with NCHEMS

August and September 2017

- **Increase understanding of recommendations**
- **Adopt a System *redesign* strategy that is informed by the System *review***
 - Establish System priorities
 - Model strategic leadership within existing statute
 - Develop work plan to implement priorities



Emerging System Priorities

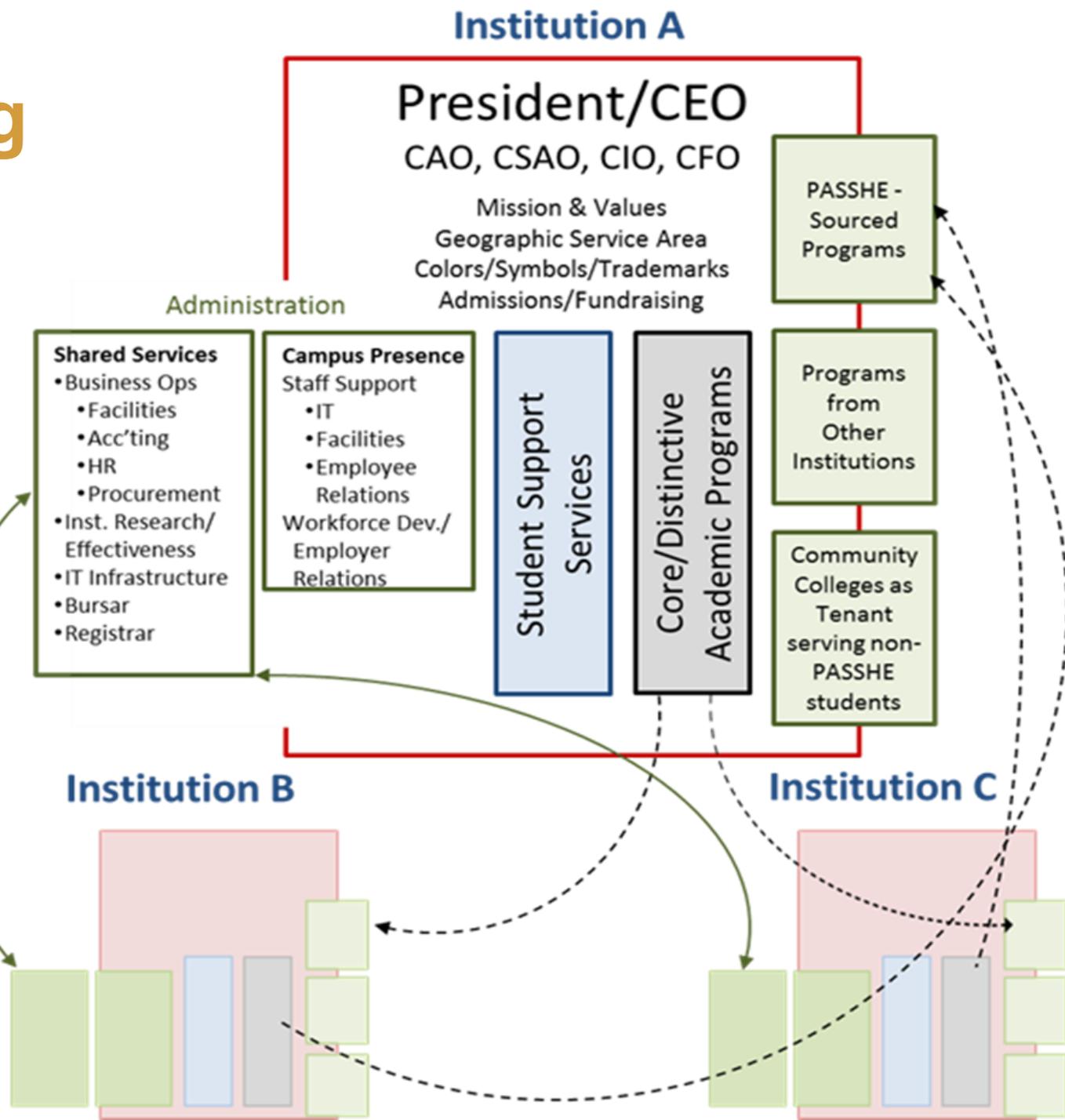
- Ensuring Student Success
- Leveraging University Strengths
- Transforming the Leadership and Governance Structure



Ensuring Student Success

- What is student success?
- Create pathways to better achieve student success through graduation and beyond.
 - Adult learners
 - Distance education
- Define each university's role and scope in providing high-value education opportunities that prepare students for success and align with regional and statewide priorities.

Leveraging University Strengths: Collaborative example for university success





Transforming the Leadership and Governance Structure

From:	To:
Emphasis on employer first	Focus on students and regions first
Climate of distrust, competition	Climate of trust, transparency, collaboration
Weakened leadership capacity	Streamlined authority
Decision-making heavily influenced by politics/special interests	Strategic decision-making in best interest of students/region
Governance/management driven by collective bargaining agreements	Balance union's role for employees with management's responsibility to lead the System and universities
Implementation of uniform goals across diverse universities/regions	Balance System-wide solutions with ability to address local challenges/opportunities
System office oriented toward compliance/regulatory functions	Service-oriented System office, addressing problems proactively, recognizing differences among universities, supporting collaboration



Next Steps

Approve System Priorities

Develop work plan to implement priorities, to include:

- defining and increasing student success.
- distinguishing each university's role and scope.
- implementing a collaborative model for delivering programs and services.
- streamlining regulatory and compliance mandates.
- transforming leadership roles and capacity within existing statute.
- developing new financial models for allocating appropriations, setting tuition, and managing costs.



What does this mean for trustees?

PENNSYLVANIA'S STATE SYSTEM OF HIGHER EDUCATION



CALU



CLARION
UNIVERSITY



MANSFIELD
UNIVERSITY

Millersville
University



SlipperyRock
University

WCU
WEST CHESTER
UNIVERSITY



Pennsylvania's
STATE SYSTEM
of Higher Education

14 universities.
Infinite opportunities.