



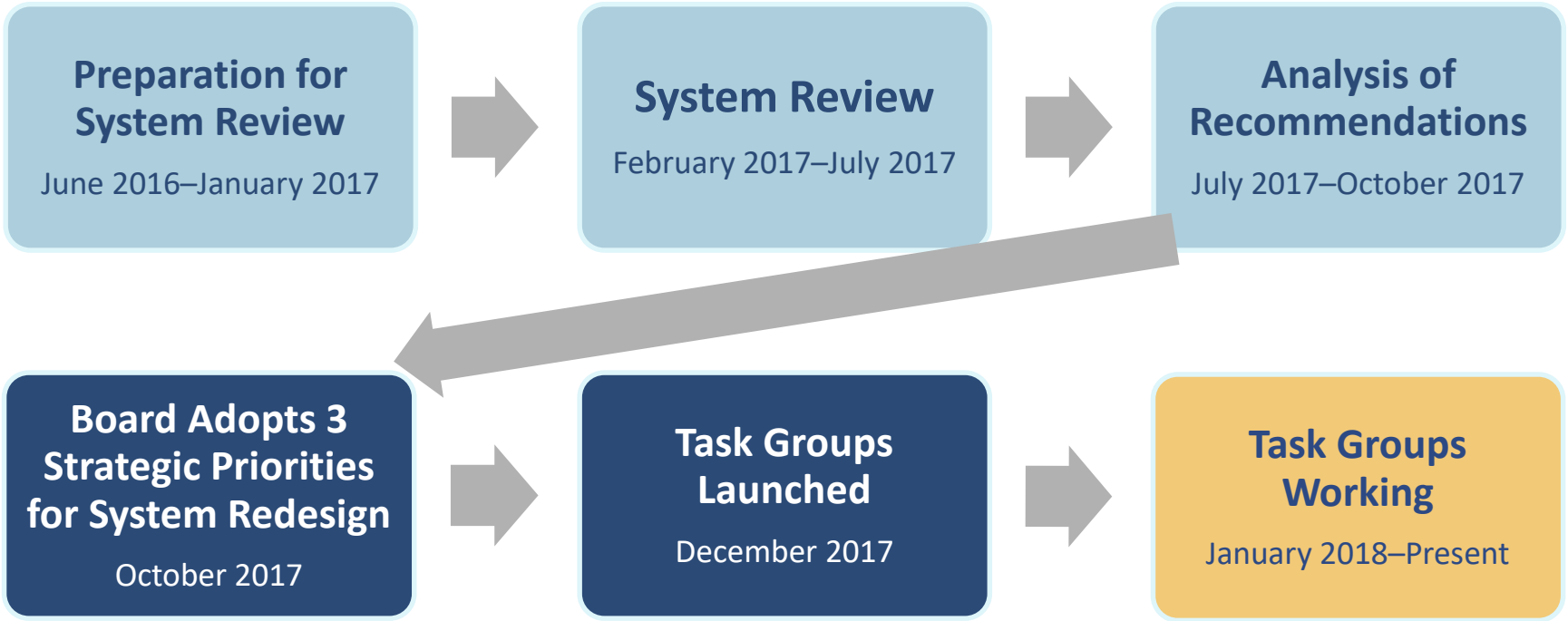
21st Century State System Redesign Update

PACT Meeting

April 13, 2018



From SYSTEM REVIEW to
SYSTEM REDESIGN





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 the 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 a 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.





System Review

Fiscal Year 2016/17

- **Board of Governors has adopted 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.

**System review included an independent study by a national higher education research firm, NCHEMS, commissioned by the Board of Governors.*



Three Strategic Priorities



Ensuring student success



Leveraging university strengths



Transforming the governance/leadership structure

The Board of Governors reorganized its committee structure to align with these three priorities.



System Redesign Task Groups

Ensuring student success

- Student Success Task Group

Leveraging university strengths

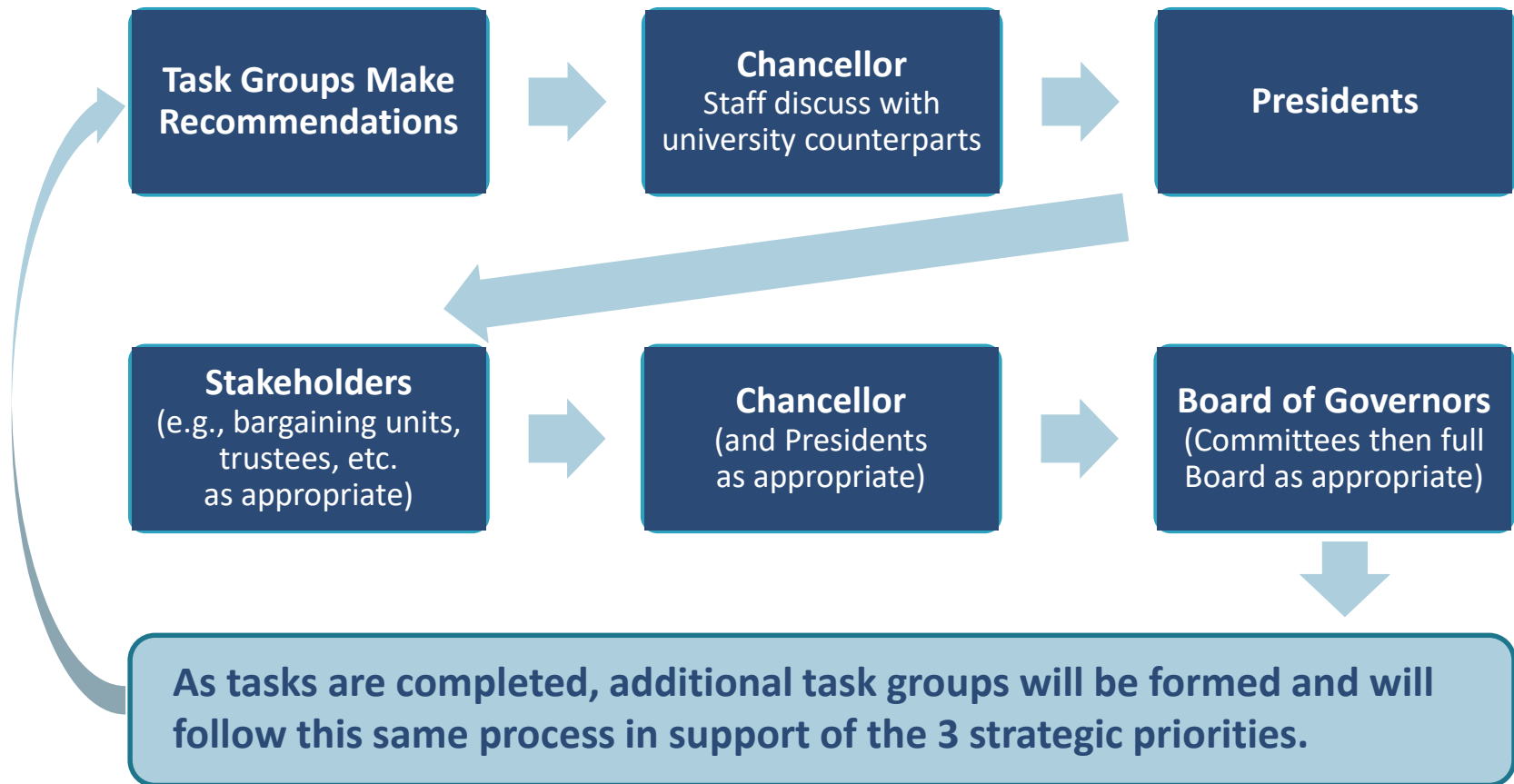
- Consortium Procurement Task Group
 - Consortium Services Task Group
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- Collaborative Pricing and Regional Affordability Task Group
 - Collaborative Allocation of Resources Task Group

Transforming the governance/leadership structure

- Policy/Procedures/Reporting Reform Task Group
- Effective Governance Task Group (forming)



System Redesign—Task Group Process



System Redesign Online

System Redesign | PA State

systemredesign.pashe.edu

PENNSYLVANIA'S STATE SYSTEM OF HIGHER EDUCATION

Bloomington University CALU CHEYNEY UNIVERSITY CLARION UNIVERSITY ESU EDINBORO HUP KUTZTOWN LOCK HAVEN MANSFIELD UNIVERSITY Millersville University SHIPPENSBURG UNIVERSITY Slippery Rock University WCU WEST CHESTER UNIVERSITY

From SYSTEM REVIEW to SYSTEM REDESIGN

More than a year ago, the State System undertook a strategic review of all of its operations, from top to bottom. The goal: to identify areas of necessary change to help ensure the long-term success of the 14 universities within the State System. The review resulted in recommendations based on input from students, faculty, staff, university and system leaders, legislators, community leaders, and a national consultant. Coming out of the review, the Board established **three priorities**:

- 1 Ensuring student success
- 2 Leveraging university strengths
- 3 Transforming the governance/leadership structure

[View Video](#) (IE)



Ensuring Student Success

Student Success Task Group



Student Success Task Group Charge Statement Highlights

Overview

The Board of Governors recently approved three key strategic priorities: **1) Ensuring Student Success**; 2) Leveraging University Strengths; and 3) Transforming the Leadership/Governance Structure.

*A clearly articulated **definition** of student success and the **identification of metrics** is the first step in providing clarity to what Ensuring Student Success really means.*



Student Success **Mission**

Our 14 State System universities provide access to high-value, relevant educational experiences that prepare our students in a timely manner for pathways to successful lives and careers.



Next Steps

Recommend preliminary metrics and goals by which Student Success is measured by May 31.

Recommend successor task groups to address specific needs in areas such as closing gaps, identifying and removing barriers for adult learners, and others.

Create baseline report/results and present to the Board of Governors in July 2018 with annual accountability thereafter.



Academic Program Approval Redesign

The Board of Governors delegated its authority to the chancellor for the approval of new undergraduate and graduate degree programs (January 25, 2018).

And approved the following Commitment/Purpose Statement (April 5, 2018):

“The high-value and relevant academic programs of the Pennsylvania’s State System of Higher Education universities prepare our students for success in their lives and careers in our global society.”



Governance and Leadership

Policy/Procedures/Reporting Reform Task Group
Effective Governance Task Group (forming)



The committee's work is divided into three areas:

- Effective governance
- Professional development and leadership support
- Policy/reporting alignment



Effective Governance

- Promote a more robust and inclusive process for shared governance and decision-making throughout the System and the universities.
- Identify experience, skills, and perspectives necessary for prospective members of the Board of Governors and university Councils of Trustees to inform the Governor and the Senate in their roles of appointing/confirming candidates.
- Further delineate roles, responsibilities, and expectations for ethical behavior for governors, trustees, and university leadership.
- Support ongoing assessment of the Board and university Councils of Trustees to optimize the System's and each university's achievement of mission and strategic priorities.





Professional Development and Leadership Support

- Advance policies and practices to ensure—
 - access to and selection of top presidential talent.
 - longer-serving presidential leadership, which is necessary for university success.
- Advance policies and practices designed to support talent development throughout the System and the universities.
- Ensure that human resources policies and practices support student and university success.





Policy/Procedures/Reporting Reform Task Group—*Progress to Date*

To reduce, revise, and ensure relevance of all System policies, standards, and procedures, consistent with the System's three strategic priorities.

- 11 policies rescinded; 3 policies revised/combined.
 - Revisions often include separating policy from procedures.
- Plan is being developed with timeline for review of remaining policies, procedures, and standards.
 - Mindful of potential gaps and need to create new policies.
- Also reviewing System reporting requirements.





University Success

Collaborative Pricing and Regional Affordability
Task Group
Consortium Procurement Task Group



Collaborative Pricing and Regional Affordability Task Group—*Progress to Date*

Phase 1—Develop recommendations for flexibility to align and achieve regional affordability through strategic pricing efforts.

- Survey higher education demand and pricing landscape.
- Developing concepts for a new strategic pricing framework.
 - One price for all can be a barrier to student success

Phase 2—Develop recommendations for allocating resources to promote collaboration, innovation, efficiency, and effectiveness.





Higher Education Landscape—

Demand and pricing landscape

- Continued decline in high school graduates.
 - Increased diversity in high school graduates.
- Increased student demand for elite institutions.
- Students prefer to study close to home.
 - Regardless of modality.
 - Correlation between SAT score and distance from home.
- Adults: 1.4 million Pennsylvanians with some degree
 - How many will come? National estimate: 12%
 - Significant barriers to re-entry.
 - Highly price sensitive.
- Price discounting is not just for privates.
 - Tool for addressing regional demographics.

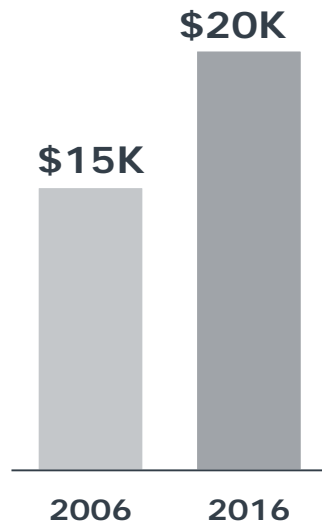


All Signs Point to Sector-Wide Discounting

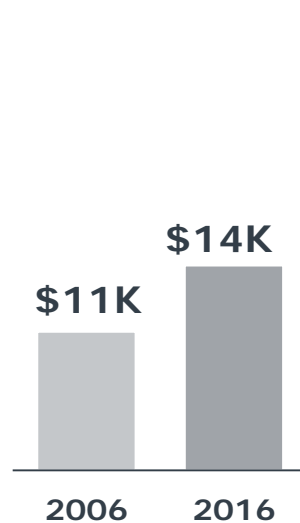
To Optimize Enrollment and Revenue—But Stay Affordable—Differentiated Price Points Are Needed

Public University Data

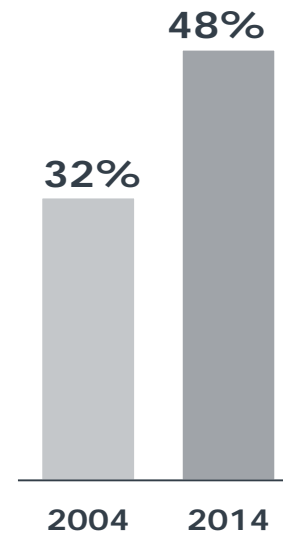
Average List Price
(tuition, fees, room and board)



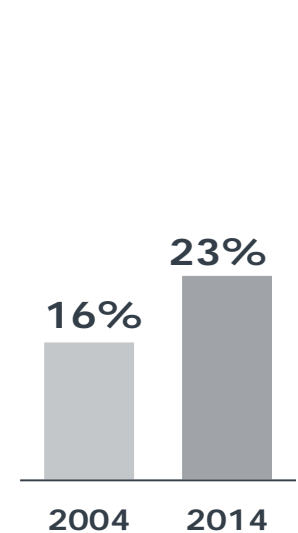
Average Net Price
(tuition, fees, room and board)



Students Receiving Institutional Grant Aid



Discount Rate



1) The metrics on this page are averages of all four-year public baccalaureate and above degree-granting institutions. They reflect data only for incoming first-time, full-time students.



Consortium Procurement Task Group— *Charge and Progress to Date*

Identify strategies to realize efficiencies based on economies of scale as a means of leveraging university and System strengths.

Phase 1—Develop a collaborative approach to strategic sourcing and procurement.

- An external study of eProcurement and ePayables revealed opportunities to leverage buying power and reduce costs through collaborative eProcurement.
- Task group is working to identify past and present obstacles to collaborative procurement approaches and to develop consensus strategies that will accomplish the goals within the requirements of Act 188 and procurement laws





System Redesign

Questions?



RAND Study

Commissioned by
Legislative Budget and Finance Committee
Pursuant to a Senate Resolution



Study was commissioned in fall 2017 to answer:

- What are the most promising options to help the State System and its universities become sustainable and able to manage the allocation of scarce state financial resources?
- What are the strengths, weaknesses, implementation requirements, and challenges of the most promising options?
- How could a new or restructured state entity exercise responsibility for policy coordination and leadership across all postsecondary institutions in the Commonwealth?

Report due this month!

