



System OVERVIEW

Updated October 29, 2019



Pennsylvania's
STATE SYSTEM
of Higher Education



Overview of the State System

Pennsylvania's State System of Higher Education—the largest provider of higher education in the Commonwealth—was established by statute on July 1, 1982, although its 14 individual universities have a much longer history, dating back to the 19th century.

Today, the universities combined enroll nearly 100,000 degree-seeking students and thousands more in certificate and other career-development programs. Collectively, the universities offer more than 2,300 degree and certificate programs in more than 530 academic areas. The State System also employs more than 10,000 faculty and staff, making it one of Pennsylvania's largest employers.

The State System is governed by a 20-member Board, which is responsible for planning and coordinating the organization's development and operation. Eleven Board members are appointed to four-year terms by the governor of Pennsylvania. Their appointments are confirmed by the state Senate. Three students, selected from among the universities' student government association presidents, also serve on the Board. Four legislators are appointed to the Board by the majority and minority leaders of the Senate and House of Representatives respectively. The governor of Pennsylvania or a designee, and the state secretary of education or a designee, also serve on the Board.

The Board of Governors meets at least four times a year. Meetings of the Board are subject to the Pennsylvania Public Agency Open Meeting Law.

Assisting the Board is an administrative staff led by the chancellor, who serves as the State System's chief executive officer. The Office of the Chancellor's budget is limited by Act 188 of 1982 to ½ of 1 percent of the State System's overall operating budget.

Each of the 14 universities is governed locally by an 11-member Council of Trustees. Ten of the trustees on each Council are nominated by the governor and confirmed by the state Senate. The 11th member is a student appointed by the governor. The State System chancellor also sits as an *ex officio* member on each Council.

In 2017, the State System undertook a strategic review of all of its operations—from top to bottom—with the goal of identifying areas of necessary change to help ensure the long-term success of the 14 universities within the State System. The System has moved from "review" to "redesign" mode. The Board of Governors affirmed its commitment to the long-term stability of all 14 universities in the State System so that each may continue to serve students, its region, and the Commonwealth. The System Redesign already is having a positive impact on students, enhancing the efficiency and effectiveness of the entire System, and ensuring strategic changes that support the System's long-term success. The System Redesign will help students and the universities thrive into the future.



System Issues

The information below provides the position of the State System regarding certain leading issues (in alphabetical order)

Academic Program Alignment

Program alignment ensures that the collective academic offerings of the 14 universities match the current and emerging needs of the Commonwealth and beyond. It is an essential action taken to ensure that each university and the entire State System stay current in addressing the needs of students and their role in a global society. Each university continually reviews its academic program offerings to ensure the relevance of existing programs as well as the appropriate development of new academic programs in response to emerging student and market demand.

Over the last five years, the State System universities have introduced or reorganized more than 160 new degree, minor, and certificate programs, nearly half of them in STEM-H (science, technology, engineering, mathematics and healthcare) related fields; and placed in moratorium or discontinued nearly 300 programs no longer in demand. Programs that are placed in moratorium or discontinued generally have few if any students enrolled and include little demand in the workforce.

The Board of Governors in early 2018 delegated to the chancellor its authority to approve new academic programs. While shortening the time it takes from when a new program is conceived until it is approved; and, ultimately, can be introduced into the classroom, the new process still includes the same rigorous review necessary to ensure new programs are of the highest quality and meet all appropriate academic standards. Twenty

one new degree programs were approved in the first six months under the new process.

Accountability and Transparency

The State System is a good steward of public dollars. It has developed an accountability framework that has elevated transparency to a whole new level. Throughout the system review and now with the System Redesign, the Board of Governors and the Chancellor have demonstrated their commitment to ensuring a high level of accountability to students, faculty, staff, and the public at large, engaging all stakeholders in the process from the outset.

Campus Safety (Clery Act, Title IX, Sexual Assault)

The health, safety, and welfare of everyone who lives, attends classes, and works on any of State System our campuses, or visits them, is among our top priorities. We are committed to doing everything we can—including investing the appropriate resources—to ensure our universities continue to be communities where our students and staff feel safe and secure. Our campus communities have among the lowest crime rates reported anywhere in the Commonwealth. It is our constant goal to maintain those safe on-campus environments. (See also: Protection of Minors.)

Chancellor's Office Operations

The law that established the State System limits the Office of the Chancellor's budget to ½ of 1 percent of the System's total operating budget—making it one of the most efficient central offices among all



public university systems in the nation. The Chancellor's Office has been reorganized toward a client/service orientation to better serve the universities and to ensure the best use of its limited resources. Some of the resulting savings have been reinvested into positions that are providing more cost-effective service to the universities and the System.

Diversity

The State System is committed to ensuring our campus communities—including students, faculty and staff—reflect the larger state population. Each of the universities offers a range of programs and services designed both to attract students of all backgrounds and to help ensure their success. These efforts are also fostered by the collaborative work of coordinated efforts to develop and implement initiatives designed to improve all students' chances of success.

Drug and Alcohol Use

The misuse and abuse of drugs and alcohol can cause serious problems, both health and social. Neither will be tolerated on our campuses. Alcohol is not permitted in any of our on-campus residence halls, regardless of a student's age. Those who ignore campus policies and/or the law must understand the consequences. Our campus police departments enforce both. In addition to any legal penalties involved, students who use drugs and alcohol illegally also are subject to the appropriate university-sanctioned discipline, up to and including expulsion.

Economic and Workforce Impact

The State System generates more than \$6.7 billion annually in economic activity

and supports about 62,000 external jobs statewide, many with the hundreds of small businesses that thrive in and around the campus communities. In the simplest terms, the State System produces nearly \$11 in economic impact for every \$1 invested in it by the Commonwealth. On average, each of the universities generates about \$310 million annually in economic activity and is responsible for more than 4,400 jobs, apart from its own.

Enrollment Fluctuations and Changing Student Needs

Changing demographics in the state—most pronounced in western Pennsylvania—are dramatically affecting a number of State System universities, resulting in fluctuations in the number of traditional students at most of the institutions in recent years. At the same time, there is a large segment of the adult population in need of additional educational and career training opportunities—especially in those areas of the state that don't have a lot of educational options. State System universities are taking steps to ensure academic programs and staffing resources appropriately address lifelong learning needs of traditional and adult learners—to help ensure their futures and also to help maintain and build Pennsylvania's economy.

Faculty and Staff Resource Alignment

The programs offered by our universities must be responsive to the demands of students and the needs of the state's economy. Our universities are prioritizing where to invest faculty and staff resources in alignment with current and emerging academic programs and student support services. These decisions by our universities are crucial for long-term sustainability and to ensure



the needs of students and their future employers are being met.

International Study

Students enrolled at State System universities have a variety of opportunities to study abroad, including both short-term programs, semester-long or even year-long experiences, where students can become fully immersed in the language and culture of another country as they earn a full load of credits. Partnerships among System universities and those located in a variety for foreign countries allow for an exchange of both students and faculty, providing unique teaching and learning experiences for both.

Online Learning

The way students learn today is very different from the way students learned even five or 10 years ago. Students—both traditional and adult learners—expect to be able to take classes from anywhere, at any time. Online learning is a key component of every student’s education, including traditional students who live on campus and take most of their classes face-to-face in a regular classroom. Nearly half of all State System students took at least one class via distance education last year. We must continue to expand the opportunities available to all of our students to take classes via distance education, including online.

**Protection of Minors/
Background Checks**

The State System is committed to doing everything possible to ensure the health, safety, and welfare of everyone on campus. It is equally committed to implementing all of the appropriate procedures necessary to comply with state and federal laws in this area, especially in regard to minors. In 2009 the System’s Board of Governors began requiring all new employees to undergo a criminal background check to determine

fitness for employment. That process continues to this day.

In an effort to ensure the safety of all students and campus visitors, in July 2014 the Board enacted the Protection of Minors Policy (effective December 31, 2014). Beginning in January 2015 the background check process began on all current System employees, including student workers, campus volunteers and system and campus officials, such as Board member and trustees. The background check process may involve checks conducted by the State Police, Department of Human Services, and the FBI. In addition to requiring background checks, the System has also determined that all of its employees are mandated to report suspected child abuse.

After the background check process began in January 2015, the General Assembly amended language in the CPSL in 2015 specifically related to who is considered a minor on a college campus. After this amendment became law, the Association of Pennsylvania State College and University Faculty (APSCUF), the union that represents State System faculty, filed a legal challenge seeking to exclude the majority of its members from having to undergo the background checks. Currently, this matter is pending before the Supreme Court of Pennsylvania; however, the majority of faculty have voluntarily completed the checks.

Quality and Affordability

The universities are the lowest-cost options among all four-year colleges and universities in Pennsylvania, while the vast majority of their individual academic programs are accredited by professional organizations nationally. The State System’s 14 universities are dedicated to providing high-quality, high-value



educational experiences. The total price of attendance—combined tuition, required fees, room and board—is about the same as the national average, and below the average in the Mid-Atlantic region.

Shared Services

The use of shared services is a common practice, not only in higher education, but also across business and industry. The sharing of routine operating functions enhances both cost savings and the efficiency with which the services are delivered.

System universities currently share services in numerous areas, including payroll, labor relations, human resources, construction support, legal service, and library resources—that would otherwise require massive duplication at each and every university. In addition, the System manages more than 70 strategically sourced contracts, participates in numerous procurement co-ops, and utilizes state and local governmental contracts and pricing. As part of our System Redesign effort, we are committed to maximizing these kinds of shared cost-saving opportunities.

Strategic System Review and System Redesign

A strategic review of the State System, which examined the operations of the 14 universities and the Office of the Chancellor, was conducted in 2017. The review, which was conducted by the National Center for Higher Education Management Systems, included more than 120 meetings across the state, including sessions held on each of the State System campuses with students, faculty, staff, alumni, business and community leaders and elected officials. In

addition, more than 800 individuals offered comments and suggestions through the website established for the project. NCHEMS analyzed student, program and financial data, as well as regional and national trends in higher education and workforce demands to provide its insights and recommendations.

Coming out of the review, the Board established three priorities:

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

The System has moved from "review" to "redesign" mode. The Board of Governors affirmed its commitment to the long-term stability of all 14 universities in the State System so that each may continue to serve students, its region, and the Commonwealth. The System Redesign already is having a positive impact on students, enhancing the efficiency and effectiveness of the entire System, and ensuring strategic changes that support the System's long-term success. We are redesigning the System to help our students and universities thrive into the future.

Weapons on Campus

Ensuring our campuses remain safe living, learning environments is paramount relative to any policies and practices we utilize. This is an extremely complex issue that the State System—and all of higher education across the country—continues to study. A number of other states are evaluating the same questions that have been raised here, including how to balance the very complex legal questions involved.



Board of Governors Committees

Audit and Compliance Committee

The Audit and Compliance Committee provides strategic leadership and policy oversight to ensure that System and university operations are conducted in accordance with internally established and externally mandated compliance standards. The committee will promote a continuously improving environment to achieve the System's goals and objectives by establishing expectations for: statutory and regulatory compliance, audit and risk assessment practices, operational integrity, and functional accountability. The committee serves as the principal point of contact between the Board of Governors and external auditors/regulators.

Executive Committee

The Executive Committee shall have the authority to act for the Board, subject to ratification of all actions at the next regular meeting of the Board of Governors. The Executive Committee is composed of the officers of the Board and the chairpersons of committees established by the Board.

Governance and Leadership Committee

The Governance and Leadership Committee is focused on ensuring excellence and best practices in executive management of the System and its 14 universities. The committee provides strategic leadership and policy oversight regarding the effective distribution of authority, accountability, and responsibility among the Board of Governors, Councils of Trustees, the chancellor, and the presidents. The committee also reviews and recommends strategies for the recruitment, development, and retention of university presidents and oversees human resources policy on behalf of the Board of Governors.

Student Success Committee

The Student Success Committee is focused on achieving the System's number one priority: ensuring all students graduate in a timely manner with a path forward that leads to individual fulfillment and career success. The committee provides strategic leadership and policy oversight of the academic programs and related student support services provided by the System's universities. More specifically, the committee's scope is focused on the policies and strategies that will support the universities in enabling student access and success, including degree programs/attainment, program approval process; strategic enrollment management; student support services; and other appropriate areas.

University Success Committee

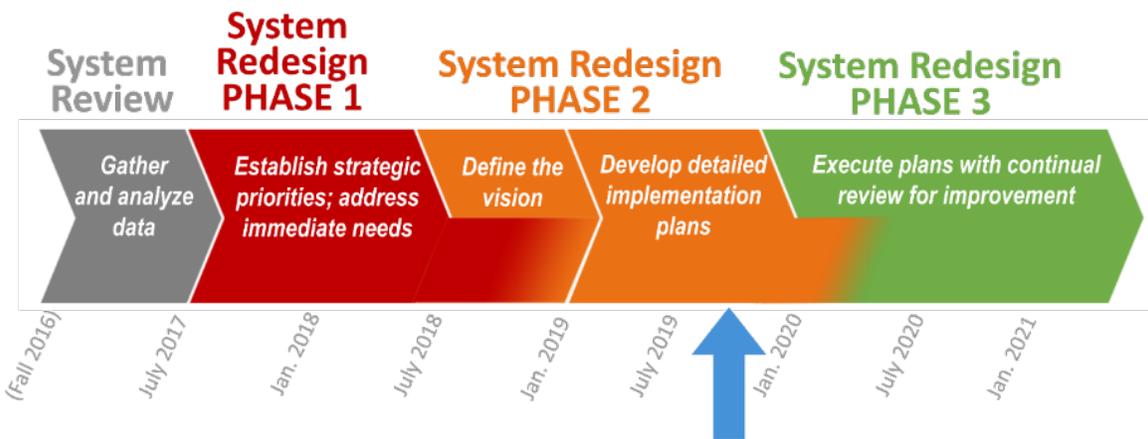
The University Success Committee is focused on excellence in stewardship of our institutions. It provides strategic leadership and policy oversight to leverage university strengths that stimulate financial and operational longevity at the university and System level. The committee will foster collaboration among universities—and between universities and the System office—to provide the most efficient and effective academic/business models that prepare students for success. The committee's scope includes allocation and alignment of resources (financial, geographic, human, and physical) to promote collaboration, innovation, efficiency, and effectiveness; with a recognition of institutional and regional differences in needs, cost, price, and affordability.



System Redesign

(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:

- **Strengthen** governance and accountability to drive individual and institutional performance.
- **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.
- **Enhance** organizational culture and talent by investing in employees’ success.
- **Engage** partners across the nation, the Commonwealth, and within the General Assembly.

System Redesign: Implementation Plan		
5	Engage Partners	<ul style="list-style-type: none"> • Real-time awareness of System activities • Stakeholder/System advocacy alignment • Legislative action toward regulatory relief and increased investment
4	Enhance Culture and Talent	<ul style="list-style-type: none"> • Best-of-breed survey results for employee engagement and satisfaction • Improved recruitment, retention, and internal talent development
3	Identify & Scale Innovation	<ul style="list-style-type: none"> • Improved retention, completion, career placement, and affordability • Growth of new markets (career-aligned credentials, new student groups) • Evidence-based scalable solutions • Collaborative cohort of institutions enabling Systemness
2	Build a Shared Infrastructure	<ul style="list-style-type: none"> • Efficiencies (\$) • Optimum program breadth • Improved capabilities (e.g., cross-campus instruction)
1	Strengthen Governance and Accountability	<ul style="list-style-type: none"> • Outcomes-oriented & transparent strategy planning, budgeting, and resource allocation • Clear delineation of roles and responsibilities, and inter-relationships • Clear institutional & individual accountabilities with performance incentives & supports • Shared understanding of collective accountability for student and university success



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:

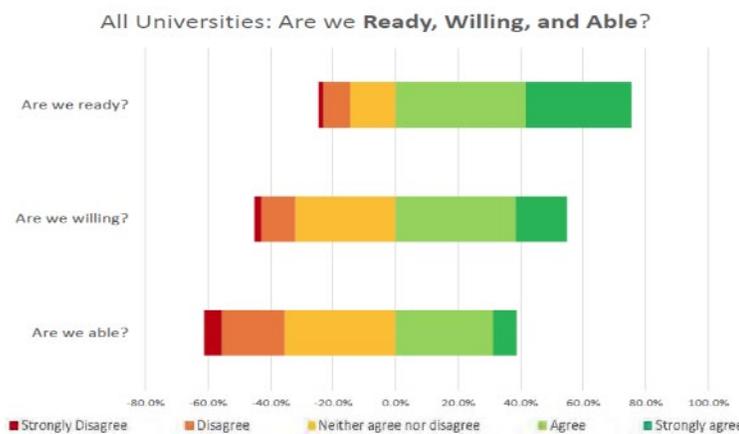
- **Expand educational opportunity**—students at any university have access to courses and programs at every university;
- **Improve educational attainment**—strengthening student pipelines, and improving academic and financial aid advising, and financial aid packaging;
- **Improve post-graduation success**—partnering 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 (left) 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:

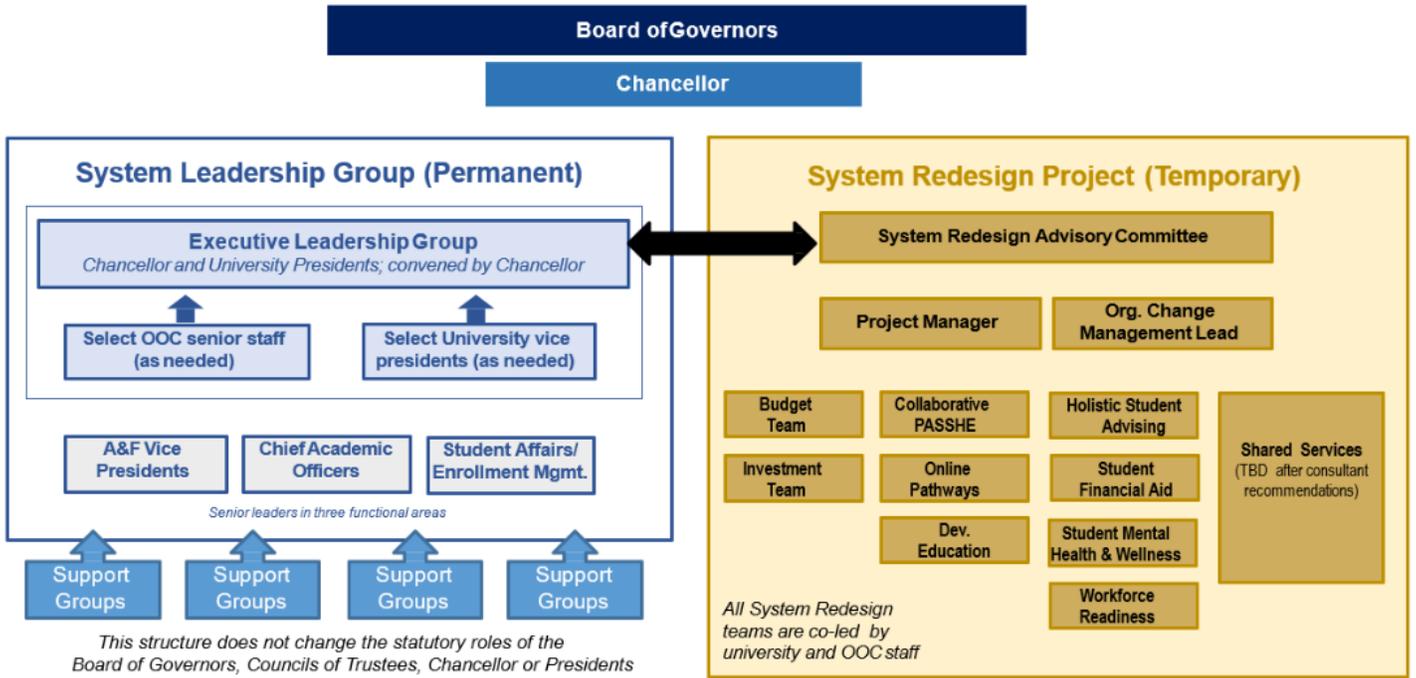
- The data suggest everyone across the State System is clearly **READY** for change: 75% agree with statements about their university facing significant competitive challenges, needing to improve performance to compete, and about people in “my unit” or the university being ready to change.
- 55% perceived 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.pashe.edu/systemredesign.

Systemwide Leadership Structure



Office of the Chancellor Leadership Structure

