



System Redesign | Frequently Asked Questions

A Sharing System

In a sharing system, what is the role of the Office of the Chancellor?

The [systemness task group](#) took on this question directly. It advised that we move:

- FROM a central office, designed and organized primarily to function for the state as a compliance and administrative organ
- TO an office reconfigured to focus primarily on strategy, data driven outcomes, and shared service connectivity for universities, while providing support for universities to ensure adherence to necessary state and federal laws, rules, and policies as stewards of the public trust.

How does the vision of a sharing system align with our direction of giving universities more responsibility for a higher degree of accountability?

The sharing system vision entails the development of an academic infrastructure that leverages our combined scale to achieve massive improvements in cost as well as quality. Using that infrastructure, universities will have a greater range of opportunities to pursue their own strategic directions and, crucially, improve their students' overall success.

Will all our academic programs now be offered online?

No, not every program. Online instruction needs to be used strategically with reference to detailed evidence about where (with what student groups) and in pursuit of what objectives work well and less well. Additionally, the personalized and very "hands on" educational experience our universities offer is critical to many of our students. Our goal is to build on this enormous strength while at the same time integrating digital learning where it makes sense to do so.

Should universities press "pause" on collaborative shared service, academic programming, or other developments that are currently underway while the implementation planning process is underway?

Our hope is to not delay strategic initiatives that are being undertaken by universities. At the same time, we are asking university leadership to use their judgement. For example

- if there is a potential investment in an IT system upgrade or other infrastructure spend in an area that is likely to be considered as potential shared service, it may be advisable to discuss with the Office of the Chancellor prior to moving forward

- with respect of proposed new academic programs, the Chancellor's office has agreed to process those program proposals that have been received as of February 2019, but to hold off on reviewing others until some adjustments are made to the program review and approval process. Those adjustments are being considered by the Chief Academic Officers and will be subject to further short-cycle review by a system redesign task group.

How do we define shared services?

At present, shared services are defined broadly as business, administrative, academic, and academic-related functions and the service quality and cost efficiency of those functions may benefit from scaled delivery. A consultant will be hired in spring 2019 to work collaboratively to help it identify, prioritize, and make a business case for specific shared services opportunities. Decisions about which opportunities to pursue will be made by the Board of Governors upon recommendation of the Chancellor as advised by key stakeholders.

Will shared services be developed on a regional or statewide basis?

Answering this type of question is exactly why we are taking care to be as evaluative as possible and to seek input from as many sources as we can in Phase Two of System Redesign. We will consider all delivery options for shared services and make selections analytically based on a variety of criteria (e.g. cost, return on investment, time to impact, ease of implementation).

What incentives will be put in place in order to motivate and reward effective participation in a sharing system?

Given our corporate structure, the financial success of any one university relies upon the financial success of all others. As a result, universities are, in effect, co-investors in one another. Accordingly, we are seeking to put in place a means by which university leadership can have input into the strategies and budgets that each proposes, and in light of that review:

- advise the Chancellor's office with respect of academic program approval and
- advise the Board of Governors about how it allocates state appropriated E&G and capital dollars, and how (at what level) it sets tuition.

To achieve this level of transparency and input into decision making, it is vital that universities align their strategy planning and budgeting practices – work that is just being launched now.

Will there be changes to existing systems (e.g. SAP) and business practices (e.g. HR) that are coordinated or managed at a system level?

No specific changes are proposed at present, but it is reasonable to assume that such changes may be recommended by task groups.

What data will be used to inform the evaluation of options for developing a sharing system?

The system maintains excellent data on student and university performance, and this data will be mined extensively to guide the work of System Redesign.

How will a sharing system ensure disproportionate financial burdens are not placed on universities that have done well managing their finances, growing their reserves, and containing their financial risks?

It is essential that the System develop financial policies and funding approaches that incentivize rather than penalize universities' strong financial performance while also ensuring that appropriate supports are available to institutions in greater financial need. Those policies and approaches have not yet been developed but are critical to our success going forward, and they are being considered by an investment project team that is just being formed now.

Students and Employees

How will the System Redesign impact students, their future employers, and the communities in which they live?

When our 14 State System universities succeed, we all win. Not only do we provide high-quality, affordable education to nearly 100,000 students, the State System generates more than \$6 billion in economic impact for Pennsylvania. We are the backbone of economic health for many communities and provide a pipeline of talent for employers. The System Redesign will make our universities and our System stronger; that will benefit everyone in the state, regardless of whether you attend any of the universities.

How does a liberal arts education and educational approaches that treat the “whole student” fit into the concept of a sharing system?

These approaches are central. As we focus even more explicitly on equipping our students to sustain themselves and their families and to contribute to their communities, we recognize the centrality of the critical thinking, communications, and other cognitive and non-cognitive skills that we are historically so good at developing. One of the most exciting things about reimagining our future is that we get to think about how to build upon these core competencies, adding to them in ways that we are able to also provide our students with the technical skills they require for their next job; to refashion our approach so it is open to students who will need access to life-long learning opportunities, etc.

What types of new programs will be available next year?

We will be constantly seeking new, innovative programs which are responsive to workforce demands. To do this, we will be hearing from employers and students on what they need and want, as well as constantly evaluating emerging trends and workforce data at the regional, statewide, and national level. Some of the newest programs in the System that have already resulted from this approach range from a Social Media Theory and Strategy major to a Doctor of Social Work program.

Is there a plan to close universities?

No, we are undertaking this redesign effort precisely because we don't believe that would best serve our students or communities. The plan, which is beginning to take shape, will strengthen our universities while transforming them so they thrive into the 21st century.

There is a lot of talk about consolidating services. What will this mean for our jobs?

The goal of sharing services would be to free up resources that can in turn be focused on our students and their success. It is too early to say how such actions would impact employees, what services will be consolidated, or what consolidation will actually look like. These are questions we look forward to addressing in the detailed planning process in which we are now engaged openly and transparently. You are seeing the redesign effort unfold in real time, and we will keep it that way.

Redesigning the State System

How do our universities go from competition to collaboration?

Collaboration is in our DNA. From existing shared operations (payroll, legal services, etc.) to joint academic programs, we have shining examples that we can learn from as we take collaboration to a new level. Some recent examples are enumerated below:

- In November 2018 faculty and staff from across the system gathered for two days in Shippensburg to kick off a network through which we can deliberately share tools and approaches that our universities are using to improve student retention and success.
- At the January 2019 Board members, Trustees, Presidents, faculty, staff, and students actively engaged in rich conversation and advised the Board about both challenges and opportunities inherent in the sharing system. Afterwards, for the first time in shared memory, Presidents, Provosts, and Vice Presidents from all 14 universities met for three hours after the Board meeting to work together to draft plans that will help guide implementation of the “sharing system” vision that was approved by the Board of Governors.

Who is involved in the redesign effort?

Everyone. The process has and will continue to include students, faculty, staff, university leaders, community leaders, elected officials, business leaders, and the public. The System redesign will allow us to continue to fulfill our common mission of providing high-quality, affordable education to all Pennsylvanians, and so we must all work together to create it.

Why is the System Redesign necessary?

The State System is experiencing the same challenges as many, if not most, public higher education institutions around the nation—a shrinking number of high school graduates; lagging state funding; and rising costs. We are redesigning the System to ensure our universities can overcome those challenges and continue to serve the students and the Commonwealth for decades to come.

Why do we need a system in the first place?

The systemness task group – which was convened in October 2018 and recommended to the Board of Governors that it consider the vision of a sharing system – took this question on directly. It advised that the system needed to evolve FROM one designed primarily to sustain 14

universities TO one designed primarily to ensure success of all of Pennsylvania's students, regardless of zip code and background.

How will changes resulting from System Redesign be communicated to the broader community?

In a variety of ways, including through university leadership. The System Redesign website will also be a good place to look for a comprehensive overview of activities and actions, and will additionally serve as a forum for people to put questions directly to the Chancellor's office and have them answered.

What will implementation or roll-out of any changes look like?

Planning and communicating the roll-out of various changes will be a responsibility of the task groups that are being convened by the Chancellor and roll out plans will be vital parts of the recommendations they make. The work will include what is changing, when it would be changing, and any appropriate procedures and training. Visibility into the work of the task groups, including their recommendations, will be available from the System Redesign website, and draft recommendations will routinely be made available by all task groups for general review and comment before they are revised and submitted to the Chancellor.

What happens next? How can I keep track of the Redesign's progress? How can I help?

We are moving into a detailed implementation planning phase that will run at least through fall 2019. During this time project teams will be recommending concrete next steps which we should begin to see implemented immediately thereafter. We are also working during this time on getting a number of basic building blocks in place – aligning university strategy planning and budget practices, implementing streamlined accountability reporting, etc. Details of the work that is underway and its progress are always available from the System Redesign website, where you will also have an opportunity to pose questions directly to the Chancellor and have them answered. There are also opportunities to be involved in task groups (nominated by leadership of key stakeholder groups) and in university based planning processes that will emerge as part of the work.