



OFFICE OF THE CHANCELLOR

TESTIMONY OF EXECUTIVE VICE CHANCELLOR DR. PETER GARLAND  
JOINT HEARING BEFORE THE HOUSE & SENATE EDUCATION COMMITTEES  
WEDNESDAY, NOVEMBER 15, 2017

Ensuring student success. Leveraging the strengths of each university. Transforming the governance and leadership structure. Those are the main priorities that have emerged from Pennsylvania's State System of Higher Education's Board of Governors' strategic system review.

I am here representing interim chancellor Dr. Karen Whitney, who had a prior commitment out of state and is not able to attend today. On behalf of her and the Board of Governors, thank you for the opportunity to speak with you today about the recommendations contained in the strategic system review report by the National Center for Higher Education Management Systems (NCHEMS) and, more importantly, how the System has now shifted from "system review" to "system redesign" mode in order to achieve the most positive results on behalf of and for our students, universities and the System as a whole.

NCHEMS completed its independent data collection and analysis in early summer, and in July presented a series of recommendations for the future of the State System. The recommendations are the result of a widely inclusive process that included more than 100 meetings held across the state. Sessions held on each of the 14 university campuses included hundreds of 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 this project. NCHEMS also analyzed student, program and financial data, as well as regional and national trends in higher education and workforce demands to provide insights for its professional recommendations.

The report focused on overall organizational challenges. In summary, it suggested the System be enabled to operate more like a higher education entity rather than a government

bureaucracy; that the regulatory burden upon the State System be reduced; more authority be given to the chancellor—supported by the board—in the area of policymaking (specifically being more strategic than tactical); collective bargaining be negotiated responsibly; and post-secondary education be coordinated via a statewide policy entity.

Since the announcement of the report, the Board and system leaders have been reviewing the recommendations and feedback generated from the strategic review in order to define the next steps in redesigning the State System for the future, talking with and listening to campus stakeholders.

At its October meeting, the Board unanimously adopted a resolution affirming its commitment to developing a plan to “redesign” the System by focusing on the three priorities I mentioned in my opening. Again, they are: 1) ensuring student success, 2) leveraging the university strengths; and 3) transforming the System’s leadership and governance structure.

The resolution furthermore expressed commitment to “ensuring the long-term sustainability of all 14 institutions within the State System so that each may continue to serve students, its region, and the Commonwealth” and pursuing a “transformative System redesign that will have the greatest positive impact for students, enhance the efficiency and effectiveness of the System, and ensure strategic changes that support the System’s long-term success.”

To this end, the Board has already moved from “review” to “redesign” mode, forming small, focused task groups to provide expertise and perspective on specific objectives related to each priority. For example, under the priority of ensuring student success, separate task groups are working to define exactly what student success is and how we can better serve adult learners. To leverage the power and unique strengths of our 14 universities, other task groups are working to examine collaborative pricing and regional affordability; consortium procurement of goods and services; and collaborative allocation of resources. Another task group is focusing on how the Board can become more oriented toward strategic policy leadership. The Board will form other task groups as the system redesign effort moves forward.

As the Board works toward ensuring the long-term success of the 14 universities, it acknowledges the Legislative Budget and Finance Committee is pursuing a study pursuant to

Senate Resolution 34, contracting with the RAND Corporation to conduct the study. We look forward to sharing with RAND what we have learned from the strategic review report, as well as what and how we are advancing the recommendations contained therein. We are also eager to discuss those actions we have taken that are already addressing the issues contained within the Request for Proposal and look forward to reading its findings concerning a statewide post-secondary education coordinating policy entity.

The Board also acknowledges that as the system redesign moves forward, there is the likelihood of statutory and regulatory changes, including but not limited to amendments to our enabling legislation, Act 188 of 1982. We look forward to continuing conversations with you as these potential proposals are refined. Making important changes will be essential for our students and universities to succeed. Everyone should be engaged in this process. These are Pennsylvania's public universities, and everyone has a stake in their success.



## Resolution committing Board of Governors to System's, universities' long-term success

**WHEREAS**, Pennsylvania's State System of Higher Education was established as the Commonwealth's public university system, with the stated purpose of providing "high quality education at the lowest possible cost to the students"; and

**WHEREAS**, the State System comprises 14 state-owned universities, each of which has served its community, its region, and the Commonwealth as an engine of opportunity for more than a century; and

**WHEREAS**, these universities are essential contributors to their individual communities and to the entire Commonwealth—providing educational opportunities to students, cultural enrichment to the citizenry, and economic stimulus exceeding \$6.7 billion annually to the Commonwealth; and

**WHEREAS**, the State System conducted a year-long strategic review to help the universities and the System identify new opportunities to better serve students in every region of the Commonwealth through high quality educational experiences; and

**WHEREAS**, through that review and input received from students, faculty, staff, and other stakeholders, the Board of Governors has identified three strategic priorities as the basis for a System Redesign: 1) ensuring student success, 2) leveraging the strengths of each university, and 3) transforming the governance and leadership structure;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Governors is committed to ensuring the long-term sustainability of all 14 institutions within the State System so that each may continue to serve students, its region, and the Commonwealth; and

**BE IT FURTHER RESOLVED**, that the Board of Governors is committed to pursuing a transformative System Redesign that will have the greatest positive impact for students, will enhance the efficiency and effectiveness of the System, and will ensure strategic changes that support the System's long-term success.

Unanimously adopted by the Board  
October 19, 2017

  
Cynthia D. Shapira, Chairwoman