

## **NCHEMS Report on State System Millersville University (MU) Observations & Comments**

The President and Cabinet at Millersville University met on September 14, 2017, in a special retreat to consider the recommendations of the NCHEMS review of the State System. Following are our observations and comments.

1. **Recommendation:** *Retain and ensure sustainability of the State System's capacity to carry out its historic mission to serve students and regions with high-quality, affordable postsecondary opportunities for Pennsylvania families from every region of the state.*

**MU:** Quote from NCHEMS Report p. 20, "But the institutions' difficulty in holding expenditures in check while the revenue picture weakens is equally a problem that the State System can no longer ignore."

From Millersville University's perspective, the major cause of our difficulty in holding expenditures in check is the result of the collective bargaining agreements which are not controlled by the institutions. We agree with NCHEMS' recommendation that we need to ensure sustainability of our capacity to carry out our historic mission. The question is, "How?" when we do not control the negotiations of our primary expenditure.

2. **Recommendation:** *Amend Act 188 to replace the current Board of Governors with a Board of Regents made up of lay members and to clarify the distribution of authority among the Board, the Chancellor, the institutional Presidents, and the Councils of Trustees.*

**MU:** Millersville University agrees with the concept of having a lay board to depoliticize the governance structure.

We also agree that role clarification is important. For example, the Board may establish a philosophical approach to program development, but it is not the purview of the Board to approve curricula especially since PASSHE institutions are accredited by Middle States Commission on Higher Education. This would dramatically improve efficiency.

3. **Recommendation:** *Reorient the State System's Board and its Office of the Chancellor toward greater responsibility for policy leadership, with a reduced emphasis on operational management and compliance activities.*

**MU:** Millersville believes that the System is more than just the Office of the Chancellor; the System is a collective body with the expertise to help solve problems. It is our perception that the Chancellor's office does not use the collective expertise to solve problems, e.g. failing institutions, and often mandates actions rather than collaborating on solutions. The role of the Office of the Chancellor should move from functionality to philosophy, from compliance to support.

4. **Recommendation:** *Reconfigure institutions facing the most severe sustainability challenges as universities that retain their unique character and core programs while leveraging system-wide and regional resources to deliver programming and share administrative functions more efficiently.*

**MU:** Millersville considers that the barrier to implementing this recommendation is the funding formula which creates competition, not collaboration, between institutions. The Board of Governors needs to creatively revamp the funding formula. For example, the Board might identify a specified amount from appropriations that will be used to fund Board priorities including assisting institutions facing severe sustainability challenges and a financial model that removes constraints and incentivizes collaboration between institutions.

5. **Recommendation:** *Adopt a strategic financing model that is a better fit for the varied circumstances facing the State System institutions and that provides incentives for collaboration over competition.*

**MU:** Former Chancellor Frank Brogan courageously recognized that one tuition price does not fit all PASSHE institutions and supported universities that proposed creative new tuition models. The Board needs to recognize that there are different markets in the state and set a tuition range within which each university can set its own rate based on what the market will bear in that area, the institution's history and future directions.

6. **Recommendation:** *Ensure that future agreements with collective bargaining units are designed to promote nimbleness in response to institutional and system-wide challenges and opportunities, and that are financially feasible for all institutions and the system.*

**MU:** The Board of Governors needs to recognize that, just as one tuition price does not fit all PASSHE institutions, one Collective Bargaining Agreement does not fit all institutions. Again, there are different markets within the state and institutions would greatly benefit from being able to negotiate labor contracts locally. The recently negotiated union increases, while a challenge for all institutions, are particularly burdensome for those institutions already facing financial sustainability challenges.

7. **Recommendation:** *Recommit to a robust shared governance process that respects the appropriate role of faculty in advising and consulting on matters of academic policy, in contrast to the role of collective bargaining, which seeks to advocate for employee rights and privileges.*

**MU:** Millersville University leadership agrees.

8. **Recommendation:** *Offer early or phased retirement incentives, established through legislative action, in a way that allows the Chancellor and institutional Presidents to align staffing levels strategically with enrollment changes.*

**MU:** Millersville supports the concept of early or phased retirement incentives, though legislative action would not be necessary for employees who are not part of the Pennsylvania State Employee's Retirement System. The flexibility to negotiate phase-out retirement incentives locally would enable us to better contain costs while mitigating the potential effect of the "brain drain" that sometimes results when tenured faculty retire. This flexibility is seen as a win-win situation for the University and faculty who might not be ready to fully retire. This would be an item for consideration if we were able to negotiate union contracts locally.

9. **Recommendation:** *Establish a statewide entity with authority and responsibility for statewide policy coordination and leadership across all of Pennsylvania's postsecondary institutions, with authority to recommend the allocation of state funds among the State System, state-related institutions, community colleges, and the Pennsylvania Higher Education Assistance Agency (PHEAA).*

**MU:** Millersville University does not agree with this recommendation believing that it would add another level of bureaucracy that would further contribute to confusion of roles and responsibilities.

Millersville University's role in moving the System forward will be to provide thoughtful input on proposed initiatives and to serve on committees or task forces convened to find sustainable solutions.