

State of the University

September 1, 2020



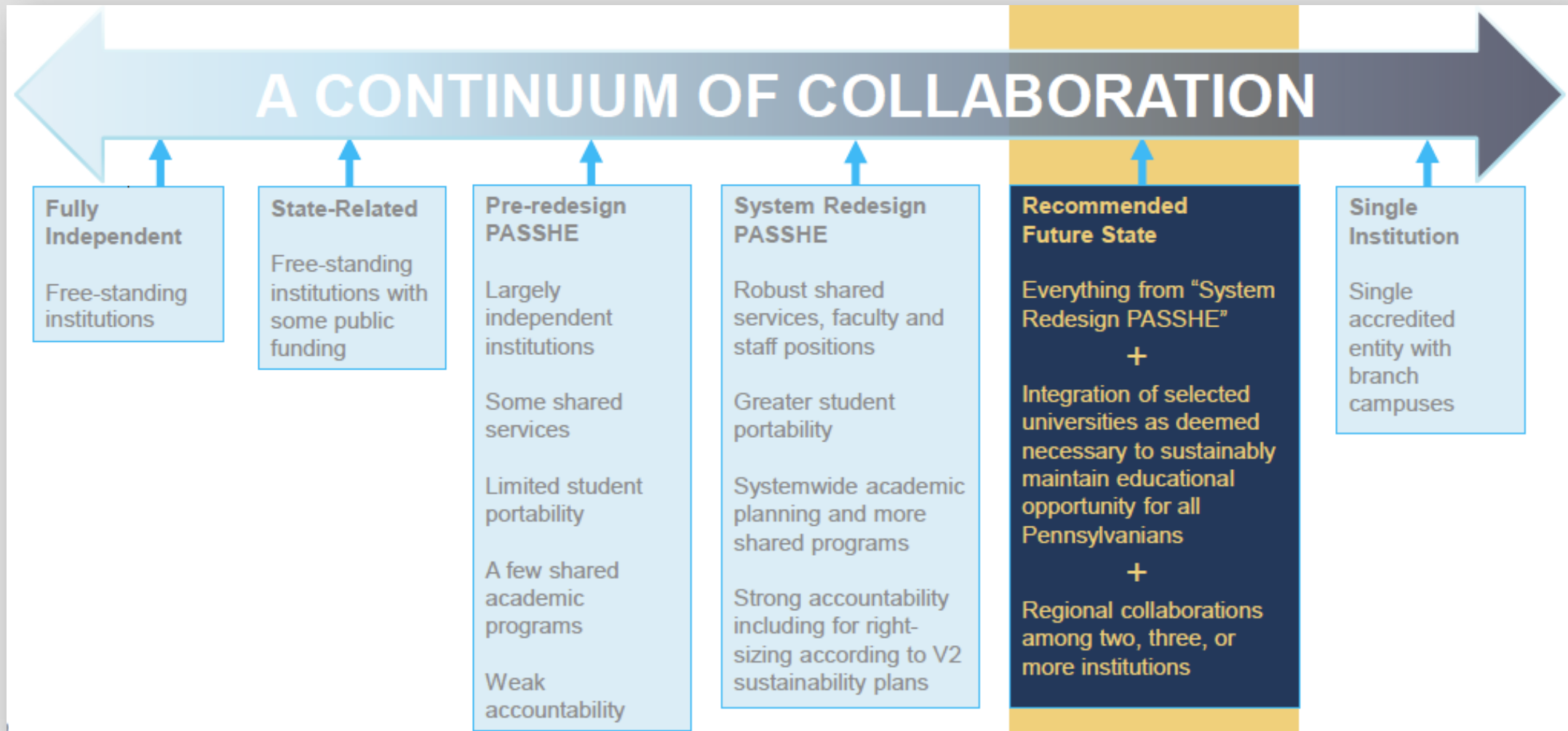
University Integrations

As presented at the September 1, 2020
State of the University address.

Some information contained herein has
changed or has been updated since presented.



Pursuit of Integrations





Recommendations to the Board (1 of 3)

1. **Conduct financial stability review** focusing on three combinations of potential university integrations
2. **Assume for the review** that each integration entails:
 - One leadership team
 - A single faculty and staff
 - A single program array
 - A unified enrollment management strategy
 - A single, combined budget
 - One reporting relationship through the Chancellor to the Board
3. Be open to analysis leading to **different integration models/approaches** and/or allow for different university combinations



Recommendations to the Board (2 of 3)

4. Focus review on three universities combinations:
 - **California and Clarion**: Seek to stand up a low-cost, high-quality fully online undergraduate degree and degree-completion program that is not currently available in the state
 - **Edinboro and Slippery Rock**: Seek to strengthen and broaden available educational programming by adopting an aligned approach to the academic program array of the two universities—driving down operating costs (e.g., through programmatic alignment and through consolidation of administrative and business operations and staff functions) and through a coordinated enrollment strategy
 - **Lock Haven and Mansfield**: Seek to develop non-degree and stackable credentials that meet workforce needs in selected high demand occupations and concentrating on adult students, all in partnership with regional employers



Recommendations to the Board (3 of 3)

5. Include in the review the following **key components**
 - Implementation costs and funding sources
 - High-level governance model and accreditation issues
 - Academic program array opportunities and financial impacts
 - Financial and administrative opportunities and financial impacts
 - High-level recommendation to achieve financial sustainability

6. Undertake **policy and procedure reviews** as may be required
 - Financial (including appropriations formula), Academic, Student, Personnel

7. **Ensure continuity of key System Redesign activities**
 - Implementation of v2 sustainability plans
 - Shared Services Development and IT governance
 - Academic Master Planning
 - Infrastructure supporting Student Portability (e.g. One Student Information System - OneSIS)



Alignments in Higher Education

Different models exist to align functions, missions and economies of scale

Acquisition: The combining of two or more institutions whereby one institution is subsumed into another, with the latter retaining its name and presence and the former mostly disappearing as an independent entity. Typically used to eliminate competition or expand an institution's portfolio.

$$A + B = A$$

Consolidation, Merger: The combining of two or more institutions that surrender their legal and cultural identities in favor of a new institution with or without a joint identity, under the control of a single governing body.

$$A + B = A \text{ or } AB \text{ or } C$$



Alignments in Higher Education

Integration: The coordination or blending of two or more institutions into more efficient and functioning entities retaining name, presence, and preserving the cultural and community identity important for regional institutions and their rural communities.

- Equally-shared and complementary missions through **blending/sharing of resources** (academic and administrative); efficiency through design.
- Should result **aligning degree and certificate/non-degree programs** between the institutions, while also resulting in the implementation of **faculty mobility and shared instruction**, among other efficiencies.
- Administrative efficiencies between institutions are also expected, with many **back-end functions and institutional services shared between the institutions**.
- Complementarity is built into the redesign, resulting in more efficient and sustainable institutions.

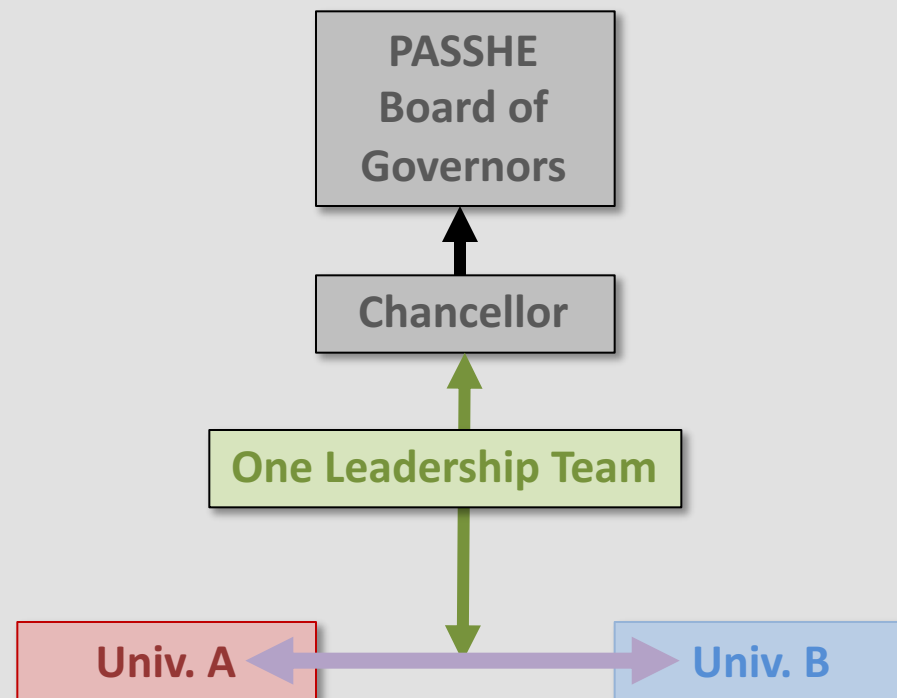
$$A + B = C/A + B$$



Recommendation #2 of the Board...

2. Assume for the review that each integration entails:

- One leadership team
- A single faculty and staff
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- One reporting relationship through the Chancellor to the Board



$$A + B = C / A + B$$



Process for Pursuing University Integrations

Defined in Act 50 and comprising the following milestones:

1. Conduct a review of the financial stability of System universities assuming the continuation of present operations and as impacted by... potential integrations (July-October 2020)
 2. Develop an integration plan or plans for candidate integrations identified by the review (October 2020 -April 2021)
 3. Submit integration plan or plans for public comment, etc.
 4. Submit integration plan for final approval by the Board
 5. Implementation (July 2021 -August 2022)
- } (60 Days)

The process is transparent and consultative by design with routine touchpoints with the General Assembly, as well as all other normal constituencies

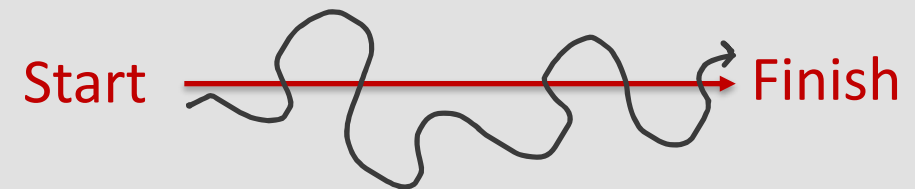


Recommendation #3 of the Board

3. Be *open to analysis* leading to *different integration models/approaches* and/or allow for *different university combinations*.

Reminders:

1. Conduct financial stability review focusing on three combinations of potential university integrations
2. Assume for the review that each integration entails:
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 - A unified enrollment management strategy
 - A single, combined budget
 - One reporting relationship through the Chancellor to the Board
5. Include in the review the following key components
 - Implementation costs and funding sources
 - High-level governance model and accreditation issues
 - Academic program array opportunities and financial impacts
 - Financial and administrative opportunities and financial impacts
 - High-level recommendation to achieve financial sustainability



DREAM **M** BIG



