

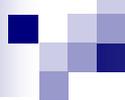
Higher Education Governance Structure

Staff Findings and Recommendations

Legislative Program Review & Investigations Committee
December 16, 2010

Study Overview

- Higher Education Governance Structure
- CSUS Administrative Functions
 - Trends in staffing
 - Data problems so would like to issue later
- Plus: Committee questions from scope meeting



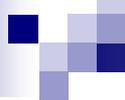
Preview of Findings and Recommendation

- No single governance structure is best
- But CT's system and structure do not adequately meet state's needs or exhibit characteristics shared by effective systems
- Recommend public agenda effort: assess needs, create strategies to meet them, monitor and incentivize progress

Governance Structure: History

■ U.S. and CT

- Coordination attempts began in 1950s-60s
 - CT: First coordinating board in 1965
- Decentralization and deregulation gradually since 1980s
 - CT: Began in early 1990s
- Tension between autonomy and ensuring efficiency, accountability



Governance Structure: CT Historical Overview

- Frequent efforts to reorganize systems and powers (see p. 4 chart), to better balance
 - Most system reorganization attempts failed
 - Legislature has also recently tried to push coordination and rein in costs

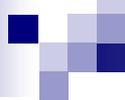
Governance Structure: Current

(p. 8 chart)

- Board of Governors for Higher Ed.
 - State policymaking and coordinating body
 - Appointed by Governor and legislature
 - Approve all proposed new academic programs
 - No real budget authority
 - DHE staffs

Governance Structure: Current

- Four public constituent units: Each has a Board of Trustees
 - Most chosen by Governor and students
 - Make institutional policies: financial, academic, personnel, administrative
 - Make budget decisions



Governance Structure: Overview of CT Public Higher Ed. Scope (FY10)

- More than 123,000 students
 - 3 major units: +81,000 FTE students
- Expenditures +\$2.26 billion overall
 - 3 major units: \$1.67 bn education-related

Governance Structure: Overview of CT Public Higher Ed. Scope (FY10)

<i>Who</i>	<i>What's Included</i>	<i>% State Support</i>
3 major units	Fringe benefits, ed.-related costs	49.1%
3 major units	Ed.-related costs (<u>not</u> fringes)	33.1%
All units	All costs (<u>not</u> fringes)	26.1%

Governance Structure: Memo Questions

- Employee tuition waiver benefit
 - All units offer, but terms vary widely
 - Total FY10 value: ~\$6.19 million
 - If were to eliminate:
 - Main problem = Employee recruitment and retention; benefit is commonplace in higher ed.
 - Cost savings uncertain

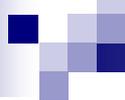
Governance Structure: Memo Questions

■ Personnel authority

- Units' boards of trustees responsible for level of staffing and who is hired
- Neither OPM nor DAS has had staffing level authority since P.A. 91-256
- Classified employees: subject to DAS rules, procedures, statewide collective bargaining
- Units believe problems would arise if OPM/DAS given authority – hurt ability to quickly meet needs

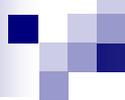
Statewide Governance Types

- Consolidated Governing Boards (24 states)
 - Direct control over institutions – budget, personnel
 - 9 have one board; 15 have two boards
- Coordinating Boards (23 states, inc. CT)
 - Do not govern institutions; focus on state policy leadership
 - Authority greatly differs among states (p.14)
- Service Agencies (2 states)
 - Grant program administration, no budget or program approval
- No Board (Michigan)



Research on Effectiveness

- No conclusive evidence of ideal model
- Each state is unique, structure has evolved
- Should not “copy” other state’s structure



Effective Board Characteristics

- Alignment of authority with state goals
- Support strategic change
- Provide objective analysis; use data to inform



Effective Board Characteristics

- Link finance policies/accountability with goals
- Ensure mission differentiation
- Engagement with elected leaders

Successful States

- Consulted with national experts
- States with improved performance
 - Indiana
 - Kentucky
 - Ohio
 - Oklahoma
 - Texas

Successful States

- Public Agenda (p. 19-22)
 - Assess current, clarify future needs; set goals

- Establishing and Achieving Critical Goals
 - Engagement beyond higher ed. and state government
 - Analytical capacity
 - Establish limited number of goals
 - Performance funding
 - Structural change may not be necessary



Staff Findings

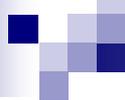
- Greater managerial autonomy, less state policy leadership
 - Statewide concerns
 - Increased costs
 - Persistent access and achievement gap
 - Needs of employers
 - Decline in degree attainment

Staff Findings

- Insufficient ID of state needs, planning, accountability
 - Ineffective strategic planning
 - Lack of performance improvement strategies
 - Need for direction and prioritization
 - Perception of mismanagement

Staff Findings

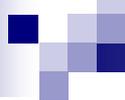
- Accountability system not based on state needs
 - Block grant not tied to performance or enrollment
 - BGHE not equipped
- Risks to economic competitiveness, efficiency, and achievement



Staff Recommendation

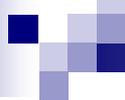
- Outlined process to develop Public Agenda
 - Appoint leadership group
 - Analysis of needs and policy audit
 - Public agenda priorities report and finance report
 - Strategies, measureable objectives, and benchmarks
 - Finance model
 - Transparency in reporting

- DHE will monitor and report annually



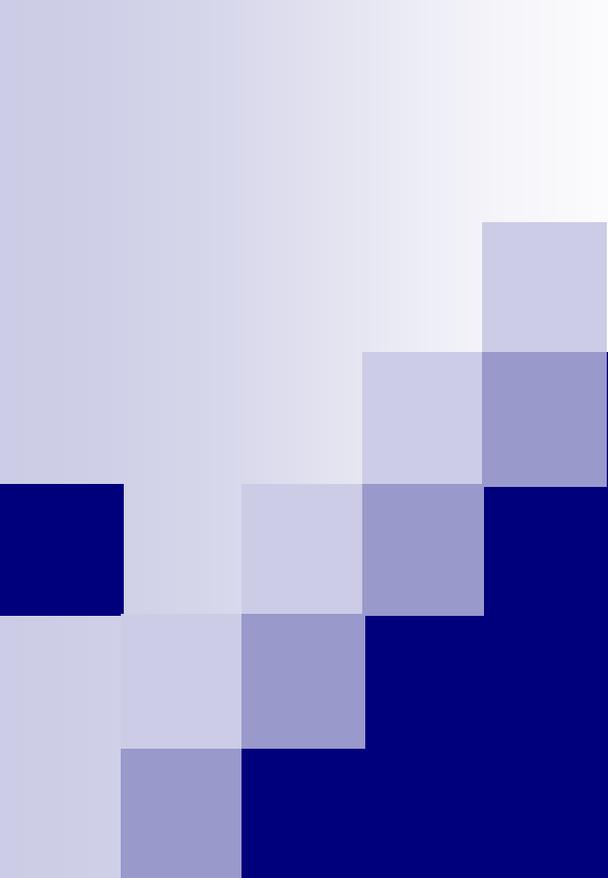
CSUS Administrative Functions

- Not presenting today due to data problems
- PRI staff and CSUS are resolving:
 - Personnel information – staffing data disagreed with organization charts
 - Budget information – some years not comparable, and unclear how to treat certain revenue uses



CSUS Administrative Functions

- PRI staff recommend continuing and finishing this work
- Target: Early 2011



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