

## Enclosure 7f

Rhode Island Board of Governors  
for Higher Education  
The Hazard Building  
74 West Road  
Cranston, RI 02920


December 8, 2008

Telephone 401-462-9300  
Facsimile 401-462-9345  
TDD 401-462-9331



December 1, 2008

TO: Members of the Rhode Island Board of Governors for Higher Education

FROM: Frank Caprio, Chair 

RE: Establishment of a Task Force to Develop a Long-Term Vision for Rhode Island's Public Higher Education System

### BACKGROUND

While the Commissioner, the Office of Higher Education and the leaders of our institutions are engaged in a number of reviews and systemic analyses aimed at steering Rhode Island's system of public higher education through the state's current fiscal crisis, this Board must also concurrently look to the future. The Board has a three-year strategic plan that is in the process of being updated for the years 2009-2012. Nonetheless, as Governor Pierre LaPerriere has correctly pointed out in his October 31, 2008 correspondence to me and to Commissioner Warner (attached), there is no more important role for the Board than "facilitating the creation of a sustainable and successful vision for our higher education system."

It appears that state funding for higher education may continue to decline for the foreseeable future unless the state significantly rearranges its funding priorities. Rather than accept this fact passively along with the annual (or semi-annual) increases in tuition and fees that are almost certain to follow if the system does not receive additional state funding, I believe Governor LaPerriere is correct in suggesting that it is time for this Board to "facilitate the development of a relevant long-range vision that helps us chart a future less dependent upon the state's diminishing fortunes."

This is not something the Board can or should do alone. Prudence demands that we seek the wisdom and assistance of our presidents and their administrative and academic teams as well as the staff at the Office of Higher Education. We also need to hear the voices and suggestions of a number of other key constituencies as well, with the overall goal, in Governor LaPerriere's words, of "developing a sound, forward-thinking business plan for this enterprise that is aimed at overcoming our financial challenges while supporting and enabling our academic vision."

Should we move ahead with plans to in essence privatize our enterprise in order to combat declining state support? If so, we'll need to develop collectively a plan that can win public and legislative approval to move forward. Have we fine-tuned the academic year so that we are maximizing use of the system's physical and human assets? Are we sufficiently entrepreneurial to identify and leverage new markets for our education, training and research? Have we adequately explored and invested in public-private partnerships that can facilitate the growth of the system and generate non-traditional income? How can we connect our researchers more effectively with enterprises that rely on good research applied to practice? These and other questions like them can and should be thoroughly vetted with an intensified focus likely to surface any number of potential solutions.

Accordingly, I recommend –

- THAT the Rhode Island Board of Governors for Higher Education establishes immediately a task force to develop, refine and recommend a long-term vision for the public higher education system which addresses the system's financial challenges and seeks solutions to those challenges while supporting the academic mission of the system.
- THAT this task force be comprised of those members of the Rhode Island Board of Governors for Higher Education who have both the time and interest to contribute to such an endeavor, and that their numbers be buttressed by individuals both from within and outside the system to be selected by the Board Chair in consultation with the Commissioner of Higher Education.
- THAT this task force be charged with completing its efforts and issuing progress reports as well as a report with decisive recommendations to this Board in April 2009 for presentation at the Board's May 2009 meeting.

**From:** LaPerriere, Pierre L.  
**Sent:** Friday, October 31, 2008 10:22 AM  
**To:** Caprio Frank; Warner Jack  
**Cc:** LaPerriere Pierre  
**Subject:** RIBOGHE -- Time for A Call to Arms?

Since our last Board meeting where we were once again compelled to raise tuition to stave off a financial crisis for RI's higher education system, I've reflected about the Board's role in resolving our ever-worsening situation. I know we're all concerned -- Board mbrs, Presidents, administrators, students, faculty and more -- about solving the problem, however, I'm not confident that we've leveraged our collective energies to address it.

I can think of no more important role for the Board than facilitating the creation of a sustainable and successful vision for our higher education system besides of course selecting a university President. I'm concerned our vision falls far short of addressing our current and future financial realities. Jack offered at our last Board meeting, as he has done before, that privatization is one path to addressing some of our system's financial issues. I tend to agree but but I'm unaware if that path has been thoroughly vetted and endorsed by the Board, the Presidents, and, more significantly, confirmed by the state of RI. I also suspect that privatization means much more than just providing us independent purchasing authority, a reality that continues to elude us though we've been pursuing this authority for the five years I've been on the Board.

It's often speculated that RI's system of higher education will one day receive relatively insignificant or even no state funding. If true, we can count on having to vote on larger or more interim tuition hikes for several years to come, just as we did last week. I'm troubled by that thought as I know you are. I'm troubled even more however that the Board may come to accept this as unavoidable. In the short term, it may be, but we have a responsibility to the future as well. The time for dramatic action seems now.

I believe with your leadership the Board has the opportunity to chart a very different future than the bleak one that we all see now. I won't pretend to suggest I have the answers. No one person does to the complex and wide ranging issues afflicting our system. As a focused and engaged group, however, I'm confident that the Board can facilitate the development of a relevant long-range vision that helps us chart a future less dependent upon the state's diminishing fortunes.

I'm suggesting "a call to arms" if you will. Where the Board, the OHE, the Presidents, and other key constituents join to confront our situation and develop a business plan designed to overcome our financial challenges while supporting and enabling our academic vision. Without the former, the latter becomes more and more obscure if not unrealistic.

Of course, our problems are not simplistic. We'll need to forge ahead on many fronts -- privatization, cost reductions, investments, etc.. If privatization is indeed a positive step then let's collectively develop a plan that can win public and legislative support to move forward. Have we fine tuned the academic year enough to maximize use of the system's physical and human assets? Have we adequately explored and invested in public-private-partnerships (PPP's) that can facilitate growth and generate non-traditional income? Do we need to address matters at the legislative level first to remove roadblocks to PPP?

Of course, there are some decisions that only the Board can drive. What about stipulating that no major capital projects can be undertaken without having a certain percentage of fundraising to reduce reliance on bonds and long term financial obligations? Have we adequately explored alternatives to reduce the system's burgeoning benefits costs -- consumer driven health plans? post-retirement program funding (ie. Emiriti program)? Would it be viable to take on the system's post-retirement financial obligations from the state in exchange for the state granting the system authority to operate privately?

I'm uncertain if any or all of the preceding are viable. I am confident, however, that we that could vet these ideas and surface more and better solutions if we were to galvanize the Board's focus on this matter. I respectfully suggest that we form a task force of interested and committed individuals dedicated to the purpose of uncovering long term solutions that address our financial challenges in support of our academic vision.

I trust you'll give this request appropriate consideration. Pls don't hesitate to contact me if you would like to discuss.

Thanks

Pierre