

Rhode Island Board of Governors
for Higher Education
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Enclosure 7d

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

FROM: Frank Caprio, Chair *Frank*

SUBJECT: The Board's Response to Rhode Island's Fiscal Emergency

INTRODUCTION

The State of Rhode Island currently faces an unprecedented mid-year budget shortfall between the current rate of state expenditures and actual revenues. This is happening during a period of dramatically declining state support for public higher education, with a nearly \$30 million reduction of state support absorbed in just over the past six months alone. Further reductions are anticipated, despite the rich economic and social rewards that the state and its citizens reap from our role in producing a well-educated citizenry and workforce.

Each of the public institutions has made and, in fact, continues to make heroic efforts to grow enrollments, while cutting costs and improving efficiency. Yet in a time of such extreme economic uncertainty and fiscal crisis, it may be impossible for any one institution, acting individually and in isolation, to maintain its current operational structure and academic integrity. It is therefore incumbent upon this board to take definitive action to protect and coordinate the delivery of public higher education in this state. Indeed, these very circumstances underscore the value and role for a system Board of Governors for Higher Education.

As I have often stated, the mission of this board is to serve the educational needs of the citizens of Rhode Island and to provide access to an affordable, high-quality system of public higher education. Given the current fiscal climate, the board must embrace a commitment to cost management and program consolidation throughout the system of higher education in order to protect the fabric of public higher education in Rhode Island.

The immediate task at hand is to weather the current storm of the state's fiscal crisis. Longer term, we will need to continuously search for ways to improve the efficiency of our operations and our effectiveness in educating Rhode Islanders. The board is authorized to create, abolish and consolidate departments, divisions, programs, and courses of study within the public colleges and universities, together with the assistance of the Commissioner of Higher Education, after consultation with the presidents of the institutions. In fact, the board,

throughout its history, has been active in this regard. However, the urgency of the present crisis requires an even greater level of review. The Board of Governors for Higher Education must now call upon the Commissioner for Higher Education to spearhead a broad and comprehensive analysis of system-wide opportunities for achieving program consolidation, cost containment, further revenue enhancement, and system reengineering. This effort will mandate that the presidents of our three public institutions work closely with the Commissioner and that this comprehensive assessment commence immediately.

Accordingly, I recommend the following motions for board approval—

- THAT** the Rhode Island Board of Governors for Higher Education amend the program review policy to increase the threshold for triggering reviews of academic programs at the three institutions that have been under-enrolled over the past three years and to review and recommend to the board their possible consolidation or elimination. This action should be completed no later than the end of April 2009.
- THAT** the Rhode Island Board of Governors for Higher Education direct the Commissioner to review program duplication among the three institutions, including departments, programs, and other academic structures, and recommend potential consolidation of unnecessarily duplicated programs within and among the three institutions. Recommendations should be forthcoming no later than May 2009.
- THAT** the Rhode Island Board of Governors for Higher Education charge the Commissioner to work with the three institutions to contain standard credit requirements for degree attainment to 120 credits for the bachelor's degree and 60 credits for the associate degree, wherever possible, while still ensuring student attainment of specified learning outcomes and accreditation standards. Plans should be forthcoming no later than June 2009.
- THAT** the Rhode Island Board of Governors for Higher Education direct the Commissioner to take actions to intensify the ongoing reengineering of the administrative, fiscal, and other operating functions, as well as the exploration of public/private partnerships, with the goal of producing greater efficiencies, eliminating undesirable redundancies, and recommending possible consolidations of functions, departments, divisions, systems, and other units. While the scope of these reviews will require varying timetables and responses, the board requests an accelerated pace to achieve the goal of instituting greater efficiencies at the beginning of the new fiscal year.
- THAT** the Rhode Island Board of Governors for Higher Education direct the Commissioner to undertake immediate review of the programmatic operations of all traditional and nontraditional academic units of the institutions. These are to include but are not limited to all units such as departments, divisions, schools, and colleges as well as centers, agencies, institutes and outreach centers. The Commissioner is to

recommend to the board possible consolidation, elimination, or partnerships of these units with other public or private entities. Recommendations for actions should come before the board no later than June 2009.

RATIONALE FOR BOARD'S MOTIONS

Low-Completion Rates. Regular program reviews are an important part of institutional evaluation and planning. An institution's resources can provide for only a finite number of high-quality programs. The elimination of academic programs with low-completion rates is necessary to ensure adequate operational support for emerging new programs and to allow for the growth of high-demand programs. In this current economic climate of scarce resources, programs with a history of continuously low-completion rates place an unnecessary burden on stretched institutional budgets. A motion to amend the current policy is presented as item 7e on the board agenda for today.

Program Duplication. Academic programs should serve the economic and societal needs of the state or region while not being unnecessarily duplicative of similar programs within Rhode Island's system of public higher education. The Rhode Island Board of Governors for Higher Education is charged with determining the appropriateness of program duplication across Rhode Island's system of public higher education. Some duplicate programs are necessary to provide geographical access to high-demand programs and courses as well as to meet the needs of students and the state. Existing programs that appear to be unnecessarily duplicative will be reviewed by the Commissioner and the board for possible consolidation. In instances where an existing duplicative program fails to meet most of the criteria for continuation, the institution will halt admissions and develop a plan for current majors to complete their programs. The criteria for continuation include relation to mission priorities, economic need, student demand, program quality, and resources.

Credit Requirements for Degree Attainment. A number of institutional and individual factors govern the amount of time that a particular student takes to complete the associate or bachelor's degree. It is clear that the number of credits required for degree attainment is one factor in extending student time-to-degree beyond the traditional two or four years, thereby compounding both institutional and student costs of degree attainment. To contain these costs, the Board of Governors believes that students who are enrolled full-time for at least 15 credits per semester and who remain in good academic standing should be able to complete their associate or baccalaureate degrees within two or four years respectively. Measures limiting total credits required for graduation have been enacted in states throughout the nation as a means of controlling the trend toward credit inflation in degree programs. The board recognizes that there will be compelling reasons to make exceptions to the 60- and 120-credit standards, including in the following instances: a) the program is defined as a five-year baccalaureate program; b) professional accreditation requirements stipulate a higher number of credits of required coursework that cannot be realistically completed within 120 credits; or c) a program is governed by certification requirements that result in a need for credits in excess of 60 or 120.

Administrative, Fiscal, and Other Operations of the Three Institutions. In response to the urgency of the state's fiscal crisis, the Commissioner of Higher Education determined last year that it was necessary to review options for the sharing and consolidation of administrative functions between the institutions. Although efforts in that area began with a small scope, starting with purchasing and payroll, they have, in fact, evolved into significant reengineering opportunities.

The original mission of the purchasing project, for example, was to gain increased delegated authority from the state. However, the initiative currently is preparing the system to assume a greater degree of the purchasing function from the state. The ongoing workgroup is comprised of representatives from the system of higher education and the state's Department of Administration. This move will create significant efficiencies and standardized processes, will eliminate delays in functional areas due to lack of equipment, supplies, etc., and will allow the institutions to operate smoothly with focused, quarterly review to verify compliance with purchasing regulations.

The payroll workgroup was charged with the mission to find savings and efficiencies in the consolidation of some payroll components, such as time and attendance reporting across the system of higher education. However, the workgroup's efforts have revealed that there are other significant opportunities for system consolidation and greater efficiencies related to payroll processing, recruitment, employee benefits administration, and IT systems.

Therefore, the board and the Commissioner have determined that it is imperative to study all potential savings and efficiencies related to other administrative services and that, in particular, the effort must be expanded to include human resources administration, legal services, and academic and administrative information technology.

Programmatic Operations of all Traditional and Nontraditional Academic Units of the Institutions. Institutions contain two types of academic units: traditional academic units and nontraditional academic units. Traditional academic units are departments, divisions, schools, and colleges. Nontraditional academic units are created to implement mission-related combinations of academic, research, outreach and/or service activities that cannot ordinarily be accommodated within existing departmental structures. While they may also exist under additional names, nontraditional academic units are typically called centers, agencies, institutes or outreach centers. These non-traditional academic units often provide services consistent with the institution's mission for the institution and the regional community.

Due to the current economic climate and the historic budget restraints placed on the system, it is imperative that these non-traditional units operate at least as revenue-neutral entities. The commissioner will analyze the structure, mission, funding and operations, and programmatic contributions of these non-traditional units and make recommendations as to opportunities for cost-saving measures (including, but not limited to, consolidation, elimination, system-wide organization, and partnerships with other public or private entities).

Traditional academic units are an integral part of the mission and success of the institutions and the Rhode Island higher education system. These units, like the programs that comprise them, compete for finite state resources.

The Board commends the leaders at all three public institutions for the steps toward efficiency and effectiveness they have accomplished thus far, and we endorse those efforts of an even wider scope that we know are currently underway. However, given the urgency of the state's financial situation, we are charging the Commissioner with the task of stepping up the pace of institutional consolidation and of recommending opportunities for achieving efficiency and effectiveness as a system.