# Status of SBHE Initiatives:
## Maximizing Results, Budget Process, and Performance Funding

## Presentation to the North Dakota
## Legislative Management Higher Education Committee
## January 18, 2012

NORTH DAKOTA
**UNIVERSITY SYSTEM**
ACCESS. INNOVATION. EXCELLENCE.

# North Dakota University System

**Mission:** To enhance the quality of life for all those we serve and the economic and social vitality of North Dakota through the discovery, sharing and application of knowledge.

**Vision:** Leading the nation in educational attainment through access, innovation and excellence.

❖ Specifically, North Dakota will rank #1 in the nation in the education of our population.

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# Maximizing Results Through Efficiencies

❖ **SBHE intent: maximize capacity to meet the needs of students and the state while improving quality, access and affordability**

❖ **Affordability recognized by Delta Cost Project**

 ❖ **"Costs per credential awarded are lowest in FL, CO, WA and ND"**

❖ **This plan is about being responsive to state needs and demonstrating our commitment to partner with the state in achieving those needs**

❖ **Identified projects focus on system-wide and institutional efficiencies, with oversight by SBHE Committee**

❖ **Input received from System Presidents and System faculty, staff and student organizations**

❖ **Already completed projects serve as foundation**

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# Project Implementation Planning Guided by Student-Centered Philosophy

❖ **Improve student retention and success**

❖ **Improve student access to programs and services**

❖ **Improve quality of student experience**

❖ **Control student costs**

❖ **Reduce complexity, system-wide and within campuses**

❖ **Provide effective, efficient delivery of instructional and administrative services**

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# Groundwork from Recent Accomplishments

❖ **Cost-Effective IT System (examples)**

  ❖ **Shared ConnectND software system: student, finance and human resources and auxiliary services software**

  ❖ **Shared system-level software licensing**

  ❖ **Mandatory employee payroll direct deposit and HR electronic workflow**

  ❖ **Shared interactive videoconferencing and telephone conferencing network**

  ❖ **Expanded Help Desk Services, significantly decreasing time to response**

❖ **Academic Process (examples)**

  ❖ **Collaborative student registration across multiple campuses**

  ❖ **System-wide admissions module**

  ❖ **Statewide articulation agreements in 13 discipline areas**

  ❖ **System-wide approach to alcohol and drug abuse prevention**

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# Proposed Efficiencies Initiatives

❖ **Cost-Effective IT System (6 initiatives), including**

  ❖ **Learning Management System, including consistent software approach; and, shared curriculum content, when appropriate**

  ❖ **Lecture-capture system, including common software; hosting; and content delivery, when appropriate**

  ❖ **Document imaging scanning system, including consistent software and hosting**

  ❖ **Unified communication system to deliver consistent set of services and integrate technologies (e.g. email, phone, mobile devices, etc.)**

❖ **Academic Process (14 initiatives), including**

  ❖ **Reengineer the general ed curriculum to support collaborative practices**

  ❖ **Review low-enrollment programs**

  ❖ **Expand availability of credits through more prior-learning experiences (portfolio review)**

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# Proposed Efficiencies Initiatives

❖ **Academic Process continued,**

  ❖ **Phase-in alignment of ND high school graduation requirements with preparation for college and work**

  ❖ **Improve graduation rates by establishing differentiated admission requirements for regional and research universities**

❖ **Other (2 initiatives),**

  ❖ **Consolidate legal drafting and review**

  ❖ **Engage independent architect and engineer (A&E) review of major capital project requests prior to SBHE approving priority list and budget request**

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# Efficiencies Process and Timeframe

❖ **SBHE final action on plan expected January 19**

❖ **Broad-based, system-wide work groups will develop implementation plans around each initiative, including identification of any major issues or challenges that may require further SBHE consideration**

❖ **Timeframe for individual implementation plan development is over the next 3 to 12 months**

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# 2013-15 NDUS Budget Request

❖ **Transition model used for 2013-15, while new model is being developed for 2015-17 and beyond**

❖ **For 2013-15, model:**

    ❖ **Is simple and easy-to-understand**

    ❖ **Provides for cost-to-continue and inflationary components**

    ❖ **Supports new initiatives focused on statewide priorities, including access and economic development**

    ❖ **Focuses on institutional efficiencies and productivity, requiring minimum 10% institutional match from efficiencies on "state priority" initiative requests**

    ❖ **Connects to "Maximizing Results" initiative**

    ❖ **Minimizes tuition rate increases**

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# Performance Funding Update

❖ **Major topic discussed at SBHE Retreat, May 2011**

❖ **Potential measures identified through surveys**

    ❖ **Based on research:  NCSL, NGA, other states**

    ❖ **Input from System Presidents**

    ❖ **Input from SBHE Members**

❖ **SBHE acted in November 2011 to begin development of process**

❖ **Potential measures communicated to executive and legislative leadership in December 2011, seeking input**

# Identified Measures

❖ **Completion**

    ❖ **Associate degrees, Bachelor's degrees, and undergraduate certificates awarded annually (all)**

    ❖ **Graduate degrees awarded annually (Minot State, VCSU)**

    ❖ **Graduate and Professional degrees awarded annually (NDSU, UND)**

❖ **Outcomes**

    ❖ **Graduates employed in their field or enrolled in graduate/professional school within one year of graduation (all)**

❖ **Retention**

    ❖ **Students retained from first to second year (universities)**

    ❖ **Students retained from first to second semester (community colleges)**

❖ **Consistent with NCSL and NGA recommendations**

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# Next Steps and Timeframe

❖ **Convene System-wide work group**

    ❖ **Clearly define the measures**

    ❖ **Identify consistent data**

    ❖ **Recommend one measure for pilot phase**

❖ **Receive recommendations from work group**

❖ **Begin pilot program in FY 2013-15**

    ❖ **Recommended by Presidents**

    ❖ **Reflects good practice**

    ❖ **Ensures effective process**

❖ **Include performance funding in proposed budget for FY 2015-17, with funds allocated based upon measures**

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# Maximizing Results through Efficiencies

**Grant Shaft,**

**January 5, 2012      DRAFT**

**SBHE President**

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*A critical role of the State Board of Higher Education is to promote and encourage North Dakota University System institutions, individually and collectively, to maximize their capacity to meet the needs of students and the state while improving quality, access and affordability. A great deal has been accomplished to date, as is demonstrated by the In July 2009 Delta Cost Project white paper titled "The Dreaded P Word: An Examination of Productivity in Public Postsecondary Education": **The market-based productivity estimates show that the costs per credential are lowest in Florida, Colorado, Washington, Utah and North Dakota; these states convert resources into credentials that have value in their marketplaces**. While we should be proud of our progress, we must continue to demonstrate to the public and political leaders that the NDUS is a good steward of taxpayer and student dollars. Therefore, I am asking that we pursue other opportunities to maximize results through efficiencies, especially as we think and behave more strategically as a System, with a primary student focus.*

*During my year as SBHE president, my goal is to accelerate the pace of change to meet the SBHE's strategic plan objective: North Dakota will rank #1 in the nation in the education of our population. This objective will require state support – both policy-driven and financial – but there is a limit to the financial support the NDUS can expect from the state and from students. As higher education leaders, we must find innovative, creative and meaningful ways to prioritize and leverage existing resources to maximize results and fund new and continuing operations. To be clear, **this plan is not about cutting budgets; instead it is about being responsive to state needs and demonstrating our commitment to partner with the state in achieving those needs. In the end, it is intended to create more targeted resources.***

*We must protect the unique mission of each campus. At the same time, we must explore opportunities to maximize our individual and collective campus resources and talents without jeopardizing mission-critical activities.*

*As a result, I will recommend to the SBHE a multi-step plan to be developed by a Maximizing Results through Efficiencies Committee. This will be a SBHE based committee charged with providing the board regular reports on progress and completion. Their work will be guided by a student-centered philosophy, including the following objectives:*

- *Improving student retention and success*
- *Improving student access to programs and services*
- *Improving quality of student experience*
- *Controlling student costs*
- *Reducing complexity across the system and within individual campuses*
- *Providing effective and efficient delivery of instructional and administrative services*
- *Reinvesting savings into the system to enhance student success, strengthen programs tied to state needs, and retain high-quality faculty and staff*

*The plan encompasses three initiatives; two of the descriptions below include recent accomplishments that lay the groundwork for creating additional efficiencies. The Maximizing Results through Efficiencies Committee will develop, in full conversation with faculty, staff, administrator and student input, an implementation plan for each item outlined below including: a description of the finance, academic and/or student services strategies included in each initiative; a specific process and timeline for implementation; funding requirements, if any; required policy, procedure and/or practice changes; an established mechanism to measure and track savings and improvements; **and, any major issues or challenges that may require further SBHE consideration.***

## Building a Cost-Effective IT System

### Completed or Underway

- Implemented a shared administrative software system for student, finance and human resources  (ConnectND)
- Implemented shared auxiliary services software for parking, housing, facilities and secure payment transactions
- Implemented a shared library system (ODIN)
- Implemented shared interactive videoconferencing network (IVN) and shared audio/telephone conferencing network (IVN)
- Implemented academic collaboration software for classroom and academic use (Blackboard Collaborate-Wimba)
- Implemented the Moodle open-source learning management system used by four institutions and for systemwide employee development
- Licensed Microsoft software for all institutions and implemented Microsoft cloud-based Exchange email, calendar, communicator and Live Meeting for eight institutions

- Implemented Microsoft Active Directory Services for access to system-wide applications
- Collaborated on system-level shared software licensing purchases (SAS, GIS, Mathematica, antivirus, anti-spam and digital security certificates)
- Implemented mandatory employee payroll direct deposit
- Implemented employee self-service for human resources
- Expanded Help Desk Services to 24x7x365 coverage, cutting the average peak-period hold and response time from 21 minutes to less than four minutes
- Implemented Phase I of some human resources electronic workflow

Several of the items above were accomplished without additional funding by enacting efficiencies; eliminating services with low value; leveraging systemwide buying power, rather than purchasing as individual institutions; and leveraging the strategic technology architecture in the NDUS Information Technology Strategic Plan.

***Proposed \****

| | Completion Date |
|---|---|
| Working in consultation with the campuses, the chancellor will pursue a strategy to implement systemwide services that are cost-effective, easily integrated and constantly improving. A review and plan for each item below shall be completed by the date noted. | |
| • A learning management system, including a: consistent software approach; shared curriculum content, **when appropriate**; content repository; and, consistent mobile device interfaces<br><br>*Today's environment often forces students to use various online learning systems with individual interfaces and multiple login-passwords. Systems are not consistent in supporting System-level authentication, integration with ConnectND or other third party supported applications. Most students, whether in-state or out-of-state, also pay premium prices to take online courses. With fewer systems to purchase, implement, interface and maintain and with increased system purchasing power, the need for extra fees should be reduced and put directly into the support of instruction rather than going to the software vendors. This will enhance the ability for online classes to become a more strategic part of the regular academic service. This effort will also build the foundation for further efficiencies. The shared environment will provide institutions with new opportunities to mutually develop and share common components of online curriculum.* | 5/31/12 |
| • Lecture capture system, including common software; hosting; and, content delivery, **when appropriate**<br><br>*Online technology that can readily and easily record video, audio, and content will provide a vast new opportunity for teaching and learning across the System. Faculty, as desired and course appropriate, could incorporate recorded tutorials or lab assignments into their curriculum or they could choose to record their daily classroom lecture. In turn, students would have the ability to watch the recordings at any time on almost any PC or mobile device while being afforded the opportunity to review critical content from a classroom lecture, presentation, or lab experience, greatly increasing overall retention and academic achievement.* | 3/31/12 |
| • Document image scanning system, including common software and hosting<br><br>*Most institutions use document-scanning software for some current business functions, such as invoice processing, contract management, electronic personnel files and student records. Most of these departmental-based and departmental-housed systems do not provide operational efficiencies or sound security practices and are not scalable as needs grow and opportunities arise. Recommendations to improve efficiencies and provide a common administrative approach are needed as well as consistent software and hardware, thereby leveraging the overall NDUS buying power.* | 5/31/12 |
| • Expand and enhance human resources electronic workflow, including centralized payroll processing from one or more sites<br><br>*Institutions will adopt standard business processes to reduce the need for individual campus modifications. Workflow analysis will reduce the need for paper to flow from one office to another and provide for electronic approval where practicable. Centralized payroll will create a* | 7/31/12 |

| | |
|---|---|
| *hub of expertise and economies of scale that need not be replicated at each institution.* | |
| • A unified communication system to deliver a consistent set of services and integrate voice mail, email, instant messaging, phone, mobile devices and personal computers<br><br>*A unified communication infrastructure with appropriate links to the state ITD infrastructure is needed. This would benefit employees and provide students better access to integrated services for academic use. It would also reduce the overall cost of equipment and reduce some operational costs such as long-distance charges.* | 6/30/12 |
| • Integrated approach to delivering IT services<br><br>*The NDUS has had its share of success with both academic and administrative technologies as noted earlier in this section. The NDUS needs a more integrated approach to information technology planning and service delivery, including minimizing locally-developed software and hosting services and moving to implement broadly accepted and supported applications and services. Planning, contracting and oversight of systemwide services delivered to some or all of the institutions should be governed at the system level and should not be under the purview of any one institution.* | 12/31/12 |
| • The SBHE, in cooperation with the Chancellor, will review NDUS Office functions. | 12/31/12 |

## Review/Reengineer the Academic Process Function

### Completed or Underway

- Implemented a systemwide, multi-campus collaborative-student registration model, making registration on multiple campuses as seamless as possible from the student's perspective
- Implemented a systemwide credit-by-exam matrix to recognize prior-learning experiences and minimize time to degree completion
- Coordinated/implemented a 50-state approval process to meet new federal authorization expectations
- Provided campus-specific data and focused strategy sessions, enabling all 11 campuses to better serve "ready adults"
- Provided statewide access to national resources (AAC&U LEAP) as part of the statewide review of general education
- Implemented systemwide admissions module (Hobson's) and now preparing an updated module
- Implemented statewide articulation agreements in 13 discipline areas to minimize student time and completion costs
- Providing leadership for a regional articulation and transfer model to ease student transfer between states
- Partnered with state tribal colleges to minimize transfer obstacles and to improve student time and cost to completion
- Implemented a systemwide approach to alcohol and drug abuse prevention, resulting in volume discounts and cost-effective strategies to meet student needs, resulting in improved personal and academic success.

### Proposed

| | Completion Date |
|---|---|
| **Joint System and Campus Responsibility** | |
| • Reengineer the general education curriculum to support collaborative implementation of practices that contribute to student learning; use SBHE Policy 403.7, shared technologies and course content, and the statewide LEAP initiative to do so | Pilot course completed by 5/15/12 |
| • Expand the availability of credit by exam to include more prior-learning experiences, such as the portfolio review process | 10/31/12 and ongoing |
| • Work on innovative ways to recognize learning in the workplace and to award credit based on portfolio documentation | Plan due 6/30/12 |
| **Campus Responsibility** | |
| • Review and report on completion rates in all courses and develop campus-wide plans to improve completion rates in courses with the highest volume or percentage of non-completers | 6/30/12 |
| • Review and report on the total number of credit hours required for all degrees awarded by the campus and report on campus efforts to reduce credit hours to those required for graduates' success | 6/3012 |
| • Consistent with SBHE-established criteria, complete a review of low-enrollment programs to be considered for elimination for SBHE action | 11/30/12 |
| **SBHE Responsibility** | |
| • Continue to communicate college readiness (course placement) standards | Ongoing |
| • Continue to align high school graduation with preparation for college | Ongoing |

| | |
|---|---|
| • Review and reconsider policies that serve as barriers to re-engaging adult learners | 6/30/12 |
| • Partner with Joint Boards to implement additional incentives for students who take rigorous high school courses | Ongoing |
| • Establish criteria for the review and possible elimination of low-enrollment programs | 3/15/12 |
| • Identify barriers to timely degree completion | 12/31/12 |
| • Work with other state policymakers to phase-in the alignment of North Dakota high school graduation requirements with adequate preparation for college and work. This would be defined by national ACT benchmarks, which would be replaced over time with the common core assessments currently under development. (Note: Adequate preparation for work after high school has been described as being at least as rigorous as adequate preparation for college.) | Plan completed by 9/30/12 |
| • Improve graduation rates by establishing differentiated admission requirements for regional and research universities; better communicate expectations by reducing the number of admission exemptions and exceptions; continue to provide an entry point for all state high school graduates through the community colleges | 6/30/12 |

## Review/Reengineer Legal Services

***Proposed ***

| | Completion Date |
|---|---|
| • Consolidate legal contract drafting and review in one office to the extent such consolidation may create efficiencies or improve services. *The Larson Allen (LA) Risk Assessment recommended a cost benefit analysis to determine if it makes sense to develop a centralized electronic repository to house and manage contracts. In addition, LA recommended a cost benefit analysis to determine the need to expand the number of general counsel resources at the system office.* | 3/31/12 |

## Improved Capital Project Process

Beginning with the 2013-15 biennial budget process, the SBHE directs the NDUS Office to independently engage architectural/engineering services to evaluate state funded project requests. This review and evaluation process is intended to ensure state investment in capital projects is aligned with state needs and maximized, to the greatest extent possible, while still meeting the academic and service needs of the institutions.

## Process and Timeline

| | Completion Date |
|---|---|
| • SBHE President releases draft document to SBHE and Chancellor's Cabinet | 11/5/11 |
| • SBHE President and Vice President meet with Chancellor's Cabinet to review draft | 11/7/11 |
| • SBHE President releases revised draft document | 11/23/11 |
| • SBHE President meets with Chancellor's Cabinet to review draft and seek input | 11/30/11 |
| • Additional campus feedback provided through Chancellor | 1/6/12 |
| • Draft proposal revised, based on feedback | 1/12/12 |
| • Final proposal presented to and approved by the SBHE | 1/19/12 |
| • SBHE project oversight committee appointed | 1/25/12 |
| • Work groups appointed, including faculty, staff, administrators and students, as appropriate | Ongoing |
| • Implementation plans developed and presented to the SBHE Oversight Committee, consistent with completion dates noted above | Various |
| • SBHE Oversight Committee evaluates and refines proposals and addresses any major issues, in consultation with full SBHE | Ongoing |
| • SBHE Oversight Committee provides periodic status reports to the SBHE | Ongoing |

Draft, 12/15/11 SBHE meeting

## SBHE Strategic Plan- ND will rank #1 in the nation in the education of our population through access, economic development connections, and productivity gains

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### *Maximizing Results Through Efficiencies-Systemwide*

*Initiatives, unless exempted by SBHE, include:*

- Common LMS, lecture capture, document imaging software
- Centralized payroll and unified communication system
- Expand credit-by-exam and prior learning
- Shared course content, where appropriate
- Reduce credits to degree, where appropriate
- Review low enrollment programs
- Differential admission requirements

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**Access**

**Economic Development Connections**

**Productivity**

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### 2013-15 Budget Request

## Current 2011-13 Adjusted General Fund Base

**+ Cost to Continue**

- CTC 2012-13 salary increases
- Increase (decrease) in capital bond payments
- CTC SMHS 2012-13 growth in resident positions, medical and allied health students (OMB <u>may</u> consider this and other items)

**+ Inflationary Increase – Calculated Overall %**

- Operating CPI factor
- Utilities estimated increases (price, usage, new buildings online)
- Regular repair and maintenance

**+ State Priorities**

- Initiatives tied to SBHE strategic plan and state priorities (e.g., WF needs, high potential industries, etc.)
- Minimum of 10 percent of initiative must be funded by campus through demonstrated campus-specific efficiencies; supplemental match will also be considered. Proposals to be reviewed by SBHE based on project merit and funding strategy

Note:
- Salary and Benefits same as other state employees; not part of request
- Capital Budget as separate process
- Tuition: Tentatively, no rate increases; natural revenue growth to offset general fund request (e.g. enrollment and AY12-13 rate increase)
- Performance Funding in 2015-17, unfunded pilot project in 2013-15
- Financial Aid as separate budget component, pending OMB approval
- Tentatively, no one-time funding requests, except major capital projects