<u>Memorandum</u>

Date: November 4, 2017
To: Montana University System Board of Regents
From: Joseph Thiel

Subject: **Update on Review of 1994 System Restructure**

Introduction

Over the past few months I have been working on the Commissioner's behalf on a review of the 1994 system restructure. I intend to present a complete report of my findings to this Board at its January meeting. This memorandum describes my work to date and presents some early reflections on the 1994 restructure and the current functioning of the system. The full January report will include a more detailed narrative, options for reform flowing from my interviews across the system, and suggestions for further study by a wider group of system stakeholders.

My review has focused on the following questions:

1. What did the regents and commissioner in 1994 hope to achieve with the restructure?

2. How does the current system operate in practice?

3. Has it achieved the goals put forward in 1994?

4. Where does the current system work well?

5. How might it be improved?

Study Methods

To date, my work has included:

- ➤ **Site Visits** – At each MUS unit.
- ➤ **Interviews** – With 82 individuals / groups, including current and former administrators, board members, faculty, staff and students.
- ➤ **Contextual Data** – Building a base of data on the system and state.
- ➤ **Review of documents** – Including accreditation reports, board minutes, and internal memoranda.
- ➤ **Review of research literature** – Including similar reviews in other systems and scholarship on multi-campus universities and systems.

The 1994 Restructure

A few key considerations spurred the 1994 change and influenced the direction chosen for the system.

1) **Desire for a more unified system message** – Prior to the restructure, the presidents of, at the time, five fiercely independent universities logically advocated for their own interests, often over competing state interests. Through the restructure, the Regents and Commissioner hoped to focus the system around unified goals, particularly when advocating to the legislature.

2) **Fear the 1992/93 budget crisis would force a campus to close** – The 1992/93 budget hole led to a 14% cut in state support for the system. A similar budget shortfall in 1985/86 had spurred calls for the closure of Western Montana College (and led to it being affiliated with UM in 1987). The regents were concerned that, without bold action to locate efficiencies as a system, there would again be political pressure to close a campus.

3) **Desire for more cohesion and collaboration**- The regents sought a system with more collaboration and less duplication, both of academic programs and of support services. Closer affiliation was seen as a route to a more systematic approach to higher education in Montana, including transfer between institutions and better integration of the five existing vocational-technical centers (now colleges) into the system. The Commissioner at the time, Jeff Baker, described the goal as "a single, unified system of higher education, a totally integrated approach, not merely a collection of separate units." [1]

4) **Pressure from regional campuses to retain autonomy and identity** – The resulting system would need to address fears from soon-to-be affiliated campuses that they would lose their identity and autonomy as a result of the change.

The final restructure documents aim to strike a balance between centralizing authority and preserving the identity and autonomy of the newly affiliated units. Most details on how the affiliation would operate in practice was left to the presidents of either side to negotiate with their respective campus CEOs (a point that I will elaborate on in my January report).

In its basic structure, however, the resulting system has three characteristics that might be considered outside the norm for multi-campus systems (to the degree a norm exists).

First, Presidents in this system serve a dual role as both leaders of a campus and what can best be described as a sub-system. This dual role creates the perception that the president will prioritize the needs of the 'home' campus above those of affiliates.

Second, the Affiliated campuses do not have direct access to the Commissioner and Board of Regents, but instead report through their President. For affiliates, this tiered reporting structure can feel duplicative and overly bureaucratic. Accreditors also find this arrangement troubling, and, if the roles of Commissioner and President are not carefully designed and widely understood, it increases the potential for miscommunication and misunderstanding.

Finally, in adopting a two-university model, the system in some ways metastasized the longstanding rivalry between the University of Montana and Montana State University, perhaps hampering opportunities for system-wide collaboration.

These characteristics are in no way unique to Montana, nor do they present any insurmountable barrier to a more cohesive and collaborative system. Indeed, the system has, in many ways, made remarkable progress addressing the challenges that motivated the change in 1994. Where frustrations arise, however, they tend to be linked to one of these characteristics of the system.

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[1] Baker, J.D., 1993. Restructuring the MUS. The Montana Professor 3.3 ; Baker, J.D., 1993. Memo from Jeff Baker to MUS Presidents. Subject: Restructuring Proposal.

Emerging Themes

In his review of the restructure in 2000, James Mingle found deep disagreements within affiliations as to how the system was meant to function. These disagreements seemed most acute at Montana Tech, where the chair of faculty senate told Mingle "...Tech's affiliation with the UM...has damaged our institution's 'integrity,' our ability to function with necessary independence when dealing with such vital campus matters as promoting faculty, handling finances, increasing enrollment, petitioning the legislature and securing accreditation." Internal memos from around this time are similarly caustic.

There is still confusion as to how roles, communications, and decision-making work within our system, but, broadly, this confusion is less disruptive to the system's cohesion than at the time of the Mingle review in 2000. In practice, each affiliation and the system as a whole has to some degree reinvented how decisions are made with each new generation of leadership (as perhaps they should). Confusion is inevitable, unless the Board, OCHE and campus leadership regularly rearticulate where responsibility lies in the system and how different levels of the system are meant to interface.

My sense is that the tensions in the current system can be addressed and that the system can make further progress on productive collaboration without fundamental structural change. I hope to articulate in the January report suggestions – gleaned from my conversations around the state – as to how the system can approach that task.

For now, I will leave you with short summaries of what I heard during my interviews on a few key areas of interest for the system. Much of the nuance of my conversations is lost in these summaries, but they reflect what I heard in general.

Integration of Academic Support Services
- Within each affiliation, a large variety of support services are already deeply integrated. To different degrees on either side of the system, these services include:
  - Legal
  - Audit
  - Financial reporting
  - Payroll
  - IT support (particularly Banner)
  - Other software licensing
  - Cross-pledged bonding
  - Procurement

- There were mixed views on the scope for efficiencies from further sharing services. Senior leadership largely supported further centralization and standardization of banner, payroll and other business functions. Operations staff were more prone to emphasize the costs of such changes and question the likely benefits. In any case, large economies would require upfront investment and a strong mandate from the regents to achieve.
- Administration and finance staff at affiliate campuses almost uniformly felt that 'breaking up the system' would be disastrous unless done in a manner that preserved these integrated services.

Academic Program and Faculty Collaboration
- The restructure has had less impact on the level of academic collaboration across the system.
- More academic collaboration would offer large benefits, including greater choice for place-bound students across the state and less risk for institutions embarking on costly programs. There is, however, little incentive for institutions to pursue such collaborations in the current funding model. Recent changes to the program approval process provide one nascent mechanism

to identify and facilitate such collaborations (i.e. a joint program in Occupational Therapy between MSU-Billings and UM-Missoula), but technological and operational barriers remain that could make collaborative programs costly to scale.
- Some I spoke to see the recent shared Materials Science PhD as a model for shared graduate programs; others thought the benefits were dwarfed by the staff time needed sort out logistics, different registration systems, faculty loads, etc.
- A common theme was that dedicated time for provost-to-provost and faculty-to-faculty interaction was vital. The new program approval process has helped by encouraging such discussions at the beginning of the planning process for new programs.

Clear Roles & Efficient Processes in a multi-tiered system
- There is still confusion as to how communications and decision making in the system is meant to function. As one interviewee put it, "in this system, I do not know what my lane is". The system has shown good initiative in starting proactive conversations around mission, process and structure (including this research) to address some of those concerns.
- Multi-tiered approvals for routine HR, finance, and programmatic decisions are often viewed by both affiliates and embedded two-year campuses as redundant, slow, and unnecessarily bureaucratic.
- Many suggested there were too few avenues for campuses to raise issues and ideas to the system level. Where such avenues exist (i.e. monthly student affairs calls) they are highly valued, but in other areas many suggested missed opportunities to leverage campus-based insight and expertise.

Role of the Commissioner
- Most I spoke to saw OCHE as taking a more central place in operational decisions in recent years, shifting from a "service" or "coordinating" role to more of a governing role. That may be for the best, but campus leaders are sometimes frustrated with the level of OCHE involvement in operational decisions.
- A related concern was a lack of on-campus expertise within the Commissioner's Office.
- OCHE's work convening system-wide conversations is highly valued when focused around a particular problem and designed to leverage on the ground expertise (a common example was the student services group, particularly their work around suicide prevention).
- The common base of data that has developed over time at the Commissioner's Office is a key asset for the system. The system office has become adept at using this data to productively frame important conversations on funding models, mission, and policy.

Integration and development of the two-year sector
- The two-year sector has both grown and developed a stronger identity since 1994.
- There are mixed perceptions on how effective the changes implemented as a part of CollegeNOW! have been, but it is clear that two-year leaders are more practiced at working together (i.e. on collaborative grants and programs, as evidenced by Montana's relative success garnering TAACCCT grants) than the universities.
- Embedded two-year campuses, for the most part, expressed deep frustration. They described being overshadowed by the university and being forced to use a campus bureaucracy

(particularly when hiring or approving new programs) that was too slow for them to react to community needs.
- University leaders, on the other hand, largely saw the embedded relationship as a strength, allowing embedded campuses to operate at less cost and offering two-year students greater access to university resources and programming.
- Standalone two-year campuses were very protective of their independence.

Student Centered Topics (Transfer, Remediation, Student Supports, Academic Policy)
- The system has made significant progress in building a system 'ecosystem' into its academic policy. Not all I spoke to felt that Common Course Numbering, the MUS Core and other state policies to ease transfer work as advertised, but these initiatives remain major accomplishments that should make streamlined institution-to-institution and program-to-program articulation simpler to implement and more effective.
- Recent OCHE-led efforts to convene faculty and staff around common problems (including math remediation, suicide prevention, dual credit offerings, etc.) appear to be paying dividends. In particular, provosts and math faculty I spoke to praised the role OCHE played linking faculty with instructors from other systems implementing co-requisite remediation and other math reforms.