Students First
Community College Consolidation

Background

- December 2016, in response to a structural deficit, the Board of Regents asked CSCU President Ojakian to recommend strategies to put the system on a sustainable path forward

- April of 2017, President Ojakian recommends two strategies:
  1. A single administrative infrastructure to eliminate redundant functions system-wide and provide shared services to all universities and colleges
  2. One centrally managed community college with campuses statewide

- System-wide planning teams were established to build out the first strategy and a subcommittee of community college presidents and deans was established for the second strategy

- Engagement with stakeholders including 17 town halls, two webinars, presentations to NEASC and business & community leaders

Structural Deficit

- Structural Deficit is result of operational costs outpacing revenue
- 89% of revenue comes from State Appropriations and Tuition/Fees; 96% of students are residents paying in-state tuition rates
- Continued decline in State Appropriations for community colleges; 14.1% since 2015;
- Deficit estimated to increase each year beyond 2018; result of increases in salaries/wages and fringe benefits
- Anticipate continued decline in enrollment unless changes are made
- 80% of CSCU costs are employees; 95% of FT employees under negotiated contracts

Budget Projections Without Consolidation

	FY17 Projection	FY18 Budget - Original	FY18 Budget - Revised	FY19	FY20	FY21	FY22
State Funding	157.4	155.0	143.8	138.2	138.2	138.2	138.2
State Fringe Benefits	118.8	122.2	113.4	109.0	111.7	114.5	117.4
Tuition and Fees	174.7	177.2	180.7	184.3	188.0	191.8	195.6
Other	7.0	5.7	5.7	5.7	5.7	5.7	5.7
Total Revenue	**457.9**	**460.1**	**443.6**	**437.2**	**443.7**	**450.2**	**456.9**
Salaries and Wages	243.3	242.9	242.9	242.9	242.9	256.3	270.4
Fringe Benefits	142.9	148.8	148.8	148.8	152.5	165.0	178.4
Institutional Aid & Waivers	22.4	23.2	23.2	23.2	23.7	24.2	24.6
Other	40.2	45.5	45.5	45.5	45.5	45.5	45.5
Total Expenses	**448.8**	**460.5**	**460.5**	**460.5**	**464.7**	**490.9**	**518.9**
Net Results	**9.0**	**(0.4)**	**(16.9)**	**(23.3)**	**(21.0)**	**(40.7)**	**(62.0)**
Reserves	**45.7**	**45.3**	**28.5**	**5.2**	**(15.8)**	**(56.6)**	**(118.6)**

ASSUMPTIONS
FY19 State Funding per approved biennium, flat going forward
Tuition and Fees increase 2.5% increases each year; flat enrollment
Flat wages until FY21; 5.5% increases thereafter
Fringe Benefits rate increases 2.5% per year
FY17 Reserves from Audit Financial Statements

Colleges run in the red beginning this year, use up reserves in FY20 and compound the deficit thereafter.

Savings: $28M

	FY17 Cost Eliminated	Cost of New Organization	Net Savings
Adminstrative Services	9,397,411	9,044,766	352,646
Facilities	1,717,161	140,000	1,577,161
Finance	11,098,332	3,989,453	7,108,879
Human Resources	7,379,465	4,200,000	3,179,465
Institutional Research	2,754,658	1,443,750	1,310,908
IT	4,536,290		4,536,290
Marketing	4,143,221	2,739,707	1,403,514
President's Office	6,249,782	1,697,500	4,552,282
Continuing Education	794,282		794,282
Subtotal	**48,070,602**	**23,255,176**	**24,815,426**
FY16 - FY17 Cost Reductions Realized	2,520,233		2,520,233
Academic Administration	1,500,000	551,250	948,750
College Security		262,500	(262,500)
College Enrollment Management		262,500	(262,500)
Subtotal	**4,020,233**	**1,076,250**	**2,943,983**
TOTAL CHANGES	**52,090,835**	**24,331,426**	**27,759,409**

Community College Consolidation

A single NEASC accredited community college with 12 campuses

- Prioritize teaching, learning, and high quality academic programming
- Maintain the uniqueness, identity and community connections of each campus
- **Coordinate strategic recruitment and retention best practices at the state, regional and local levels**
- Implement clear, consistent practices and procedures
- Leverage talents and resources, focused on ensuring students achieve their individual educational goals
- Develop a process to align curricula across the 12 campuses with broad faculty participation
- Offer easier enrollment for students within the system; (1) application, (1) financial aid package

New Leadership Structure
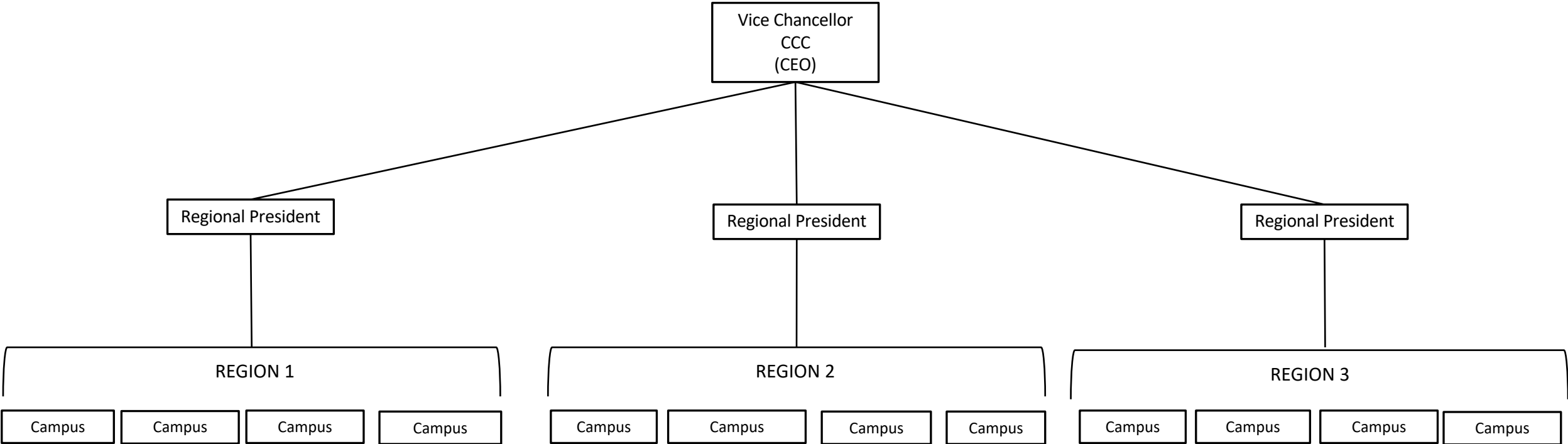
New Leadership Positions

- (1) Vice Chancellor, (1) Provost and (1) Chief Financial Officer as required by NEASC
- (3) Regional Presidents
  - Responsible for regional budgets and leveraging expertise and personnel across 4 campuses
  - Work with Vice Chancellor to ensure consistency in policy and practice across the state
  - Seek regionally coordinated grant opportunities
  - Support regional and local relationships and programs responsive to regional workforce needs
- (12) Campus Vice Presidents
  - Oversee daily campus operations
  - Visible presence on campus and within the local community
  - Manage all campus academic and student programming
  - Collaborate with the campus foundation to secure additional resources
  - Partner with state, local, community agencies, businesses, and school districts to create opportunities for students

Student Benefits

- Access to high quality credit and non-credit programs, including those unique to particular campuses
- Daily student interaction with faculty and staff is not impacted
- Access to courses and programs at all 12 campuses, both traditional brick and mortar and online
- One college application and financial aid package that follows the student wherever they take classes
- Consistent academic assessment and placement for students
- Access to advisors, services, and supports on any campus
- Student governments, clubs, and activities still organized, staffed, and supported locally
- Campus foundations remain unchanged and provide vital scholarships for students

NEASC Accreditation Timeline

May 18, 2017
- CSCU submitted a request to the Commission on Institutions of Higher Education (CIHE)-New England Association of Schools and Colleges (NEASC) for an Advisory Opinion to seek a single NEASC accreditation for the CSCU Community Colleges replacing the current model of individual accreditation for the 12 colleges

August 11, 2017
- The Commission informed CSCU regarding its plans to consolidate because materials submitted by the System did not address the Standards of Accreditation directly, the Commission did not have sufficient information that the process would result in arrangements compliant with the Standards of Accreditation. A preliminary and advisory opinion was issued.
- Submission of a Substantive Change Proposal was recommended

March 16, 2018
- CSCU submits a formal Substantive Change Proposal for consideration at the April 2018 meeting

Next Steps

- Finalize and submit Substantive Change to NEASC
- Develop a process to align curriculum across the 12 campuses with broad faculty participation
- Recommend governance structure and representation
- Establish enrollment management processes for the single college drawing on best practices from campuses
- Recruit and fill critical positions in the new college

Thank You!