

January 9, 2025

System Redesign

When the Legislature created the Utah System of Higher Education, it elected for a model that establishes a central governing board, creates distinctive institutional roles, and prioritizes seamless articulation and program review. The Legislature's approach was an deliberate, strategic decision intended to capture the unique benefits available to a unified, centrally governed system, often referred to as "systemness."

Systemness is the intentional coordination and collaboration among institutions within a higher education system to achieve outcomes that no single institution could accomplish alone. Hallmarks of a well-designed system include:

- Unified student access across campuses
- Strategic collaboration over competition
- Developing and leveraging institutional specializations
- Institutional mission, governance, and leadership alignment
- Systemwide strategic planning
- Systemwide data collection and governance

In a recent performance audit of the System, the Office of the Legislative Auditor General (OLAG) found marked improvement in system governance and oversight, with demonstrable progress toward operating as a unified system. However, OLAG found the system is still failing to capture the critical benefits of systemness.

Key audit findings include:

1. Institutions Acting Independently
 - a. Degree-granting institutions often make decisions in isolation, without considering system-wide impacts.
 - b. This leads to program duplication, competition for students and resources, and fragmented planning.
2. Competitive Behavior
 - a. Some institutions are engaging in unhealthy competition, offering similar programs even when they are not well-positioned to succeed.
 - b. This behavior undermines the potential for collaboration and strategic differentiation across the system.

3. Lack of Role Clarity
 - a. The audit found that institutional roles are not clearly defined or coordinated.
 - b. Without a long-term plan outlining each institution's unique mission, institutions risk overlapping efforts and failing to meet regional or workforce needs effectively.
4. Weak Program Oversight
 - a. The Utah Board of Higher Education has improved governance (e.g., centralized budget requests, tuition oversight), but program-level coordination remains weak.
 - b. Institutions are not consistently using data to evaluate whether programs should be expanded, reduced, or discontinued.
5. Data Gaps
 - a. Institutions do not routinely calculate program-level costs, completion rates, or employment outcomes.
 - b. This limits their ability to assess return on investment (ROI) and make informed decisions that benefit the system.

In short, the audit calls for a shift from institution-centric decision-making to a system-wide strategic approach that maximizes efficiency, equity, and workforce alignment.

Earlier this year, the Board also recognized a lack of strategic structure within the system that is impeding the Board's priorities. Board leadership assigned Aaron Skonnard to work with the Commissioner's office to explore ways in which the System can better incorporate systemness and its benefits.

A Vision for Utah's System of Higher Education

Many states have various forms of higher education systems, and none look the same. In developing an approach to achieve systemness, the Board first must consider what makes Utah unique:

- Utah is the largest state by population with a single higher education system. Other states our size have multiple systems.
- We only have two dedicated community colleges, with other regions covered by our dual mission comprehensive universities and the land grant institution.
- We have eight technical colleges and three degree-granting institutions with a technical college role.
- We have a central governing board rather than a coordinating council model and statutorily designated institutional roles.
- We have unique geographical regions with diverse economic clusters, workforce needs, population demographics, and projected growth.
- We have a statutory responsibility to operate with a unified state vision, statewide goals, seamless articulation and transfer, specialized roles, statewide data governance and collection, shared administrative services, and unified budgeting.

With those characteristics in mind, we worked with experts in system design to review the best practices nation-wide, selected approaches that made most sense for Utah, and customized a system design that sets an innovative vision for a future system unlike any other in the country.

The redesigned system will provide expansive program offerings statewide, delivered efficiently, with the student experience and value being the guiding principles.

The fundamental building blocks of the system will be horizontal integration and vertical integration. In higher education, horizontal integration and vertical integration refer to different strategies for coordinating and aligning institutions, programs, and services to improve efficiency, equity, and student outcomes. Here is a breakdown of each:

- **Horizontal Integration:** Horizontal integration involves collaboration and alignment across similar institutions—university to university for instance—working together across campuses and institutions. Examples include:
 - Joint or shared academic programs offered by multiple universities.
 - Shared services like IT, procurement, or student support across campuses.
 - Cross-campus faculty research collaborations.
 - Common course catalogs and transfer pathways to facilitate student mobility.
 - Regional higher education centers where multiple institutions offer programs in targeted areas.

When done well, horizontal integration reduces duplication of efforts, enhances resource efficiency, promotes innovation through shared expertise, and improves access and flexibility for students.

- **Vertical Integration:** Vertical integration refers to coordination and alignment across different levels of educational hierarchy—such as between technical colleges, community colleges, teaching universities, and research universities. Examples include:
 - Integrated admissions, advising, student services, and career services.
 - Dual enrollment linking students' enrollment in multiple institutions for simultaneous credit.
 - Shared academic programming such as general education courses.
 - 2+2 transfer pathways from community colleges to four-year institutions.
 - Stackable credentials that build from certificates to associate and bachelor's degrees.

Ideal vertical integration creates seamless admissions and educational pathways; improves student access, retention and completion; creates natural partnerships for shared administrative services; and aligns education with labor market needs.

Trying to establish vertical and horizontal integration statewide fails to adequately recognize the unique qualities of Utah's System and potentially undermines the viability of a redesigned structure. The better path forward is through regional higher education centers comprised two to five institutions of differing

missions. Institutions vertical integrate within their regions rather than statewide (although institutions may vertically integrate outside of regions when practicable). Horizontal integration happens within regions across regions, such as the Wasatch front, and statewide.

Within this new framework, the Board can:

- Strategically design missions and roles around regional and statewide needs and measure performance not on enrollment growth, but on how well an institution executes on its mission and role.
- Engage in strategic planning that leverages institutional specialization and regional need.
- Incentivize and capitalize on institutional partnerships vertically and horizontally to deliver more program offerings statewide without duplicating them at every institution.
- Eschew competition within the System and instead foster collaboration among institutions, with the benefits and quality of the whole System being greater than the sum of its parts.
- Position every institution within the system to thrive as part of a unified alliance of partners that can withstand impending demographic shifts, fiscal uncertainty, and political turmoil.

Redesigning the system will be a multi-year process, requiring careful and deliberate planning, stakeholder guidance, and change management. The first step is to establish the framework of regional higher education centers and directives to horizontally and vertically integrate within those regions and across regions.

Commissioner's Recommendation

The Commissioner recommends pursuing legislation to establish higher education regional centers but maintain the Board's discretion to determine membership within those centers and then begin building vertical integration, horizontal integration, and shared administrative services as subsequent steps.

Attachment

Attachment 1 — System Redesign Architecture