



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
OFFICE OF THE SECRETARY

December 13, 2010

Honorable M. Jodi Rell
Governor, State of Connecticut
Office of the Governor
210 Capitol Avenue
Hartford, Connecticut 06106

Dear Governor Rell:

This summer, when you announced your intention to form a working group on Connecticut State University (CSU), I was honored to be named its Chair. CSU, as the state's largest public university system, is a worthy subject for which a thoughtful and scholarly inquiry was certainly warranted.

Over the course of six meetings, our working group sorted through the various issues confronting CSU, including access, affordability and quality. During our spirited discussions, we kept as our goal the crafting of meaningful recommendations to ensure continued and improved success throughout the CSU system. We are, to a person, believers in CSU and unswervingly devoted to ensuring its success. Connecticut needs CSU as its workforce partner, as a stalwart ally in providing citizens with lifelong success and as a collaborator in eliminating the loathsome achievement gap between white and minority students.

We realize that any systemic changes to Connecticut's public higher education system will take place after a new legislature and administration are in place, and recommend that they— and all stakeholders of the CSU system— consider them with an open mind and with the needs of Connecticut's families foremost in their minds. Connecticut's families care less about administrative titles and structures than knowing it will remain an accessible, affordable, successful system.

Respectfully, we submit this final report of the Connecticut State University Working Group to you.

Sincerely,

A handwritten signature in cursive script that reads "Brenda L. Sisco".

Brenda L. Sisco
Acting Secretary

c: Lisa Moody, Chief of Staff

Connecticut State University: Improving Access and Affordability

A Report to Governor M. Jodi Rell

From the Connecticut State University Working Group

"I challenge state, college and university leaders to put affordability front and center as they chart a path forward. I challenge them to follow the example of the University of Maryland, where they're streamlining administrative costs, cutting energy costs, using faculty more effectively, making it possible for them to freeze tuition for students and for families."

President Barack Obama

Why it matters...

A knowledge-based economy is a prerequisite for success in the competitive global community. A college education, once the purview of the wealthy and few, is now de rigueur for individual economic success. As more countries tie college education to economic development and make it a priority, the United States (US) is falling behind. At the rank of seven, the United States has fewer traditionally aged college students than Korea, Greece, Poland, Ireland, Belgium and Hungary.¹ Compared to other countries, the US has an unenviable record of college completion, coming in fifteenth in the world after other countries like Korea and the Czech Republic.² Combining these two statistics—percentage of young adults attending college and graduating—foreshadows a potential economic calamity. What was once unthinkable is now a reality; the United States is losing the global education race, foreshadowing a reduced, less competitive position in the global economy.

Connecticut, which parlayed its highly educated workforce to become the nation's wealthiest state, is facing an educational crisis.³ With only 33% of Connecticut traditionally aged students in college, Connecticut ranks behind the 34% US college participation rate and the college attendance rates of a number of other countries, including Korea, which sends over half of its young people to college.⁴

¹Callen, et al., <http://measuringup2008.highereducation.org/>

²Ibid.

³US Department of Commerce, Bureau of Economic Analysis, March 2010

⁴Callen, et al., <http://measuringup2008.highereducation.org/>

At 45%, Connecticut has a high percentage of adults with college degrees but this statistic pales when using comparative international or national criteria.⁵ Internationally, Connecticut used to be a leader; now, countries like Korea, Canada and Japan have higher percentages of college graduates.⁶ When compared to other states, the trend is also not positive. Connecticut used to be first in the nation in the percentage of residents with college degrees; it is now ranked fourth behind Massachusetts, Maryland and Colorado.⁷ This is important because college graduates make significantly more over a lifetime than high school graduates. A 2004 U.S. Census Bureau study showed that high school graduates made less than \$28,000/year, while college graduates made over \$51,000.⁸ Over a lifetime, college graduates make \$1 million more than high school graduates, a statistic with far reaching economic and social ramifications.

There are a couple of reasons why Connecticut is falling behind in the number of college graduates. First, even though a vast majority of state students (78%) plan on going to college, only about 42% plan to attend college in Connecticut.⁹ The vast majority of states import many more college students than they export. Only fifteen states import fewer students than they export.¹⁰ At a negative of 5,400 students, Connecticut is forty-seven out of fifty states in the net importation of students. Only Maryland, New Jersey and Illinois do a worse job retaining their own students and importing out of state students.

This is an important statistic because it does affect the state's workforce. For instance, Florida is ranked first in importing and retaining college students.¹¹ At the same time, Florida gains over 40,000 college graduates each year and Connecticut loses 2,000.¹² Florida has a "brain gain" while Connecticut has a "brain drain." Practically speaking, if Connecticut is going to compete with states like Florida, it needs to reverse the "brain drain."

Connecticut's educated worker crisis is compounded by the demographic pressures of an aging citizenry. According to census data, between 1990 and 2000, the national population increased at a rate three and one-half times that of Connecticut's population.¹³ The result is that Connecticut citizens are older than other Americans, with 14% of the state's population over 65, compared to the national average of 12%.¹⁴ At some point, in the not too distant future, Connecticut must find some way of replacing its aging workforce with the smart, educated and technologically savvy workers demanded for the high skill, high wage jobs of the new economy.

⁵Ibid.

⁶Ibid.

⁷Connecticut Department of Higher Education, *Higher Education Counts: Achieving Results*, 2010.

⁸<http://howtoedu.org/college-facts/how-much-more-money-do-college-grads-make/>

⁹Connecticut State Department of Education, *Survey of Graduating Seniors from Public High Schools*.

¹⁰<http://measuringup.highereducation.org/compare>

¹¹Ibid.

¹²http://continuingstudies.uconn.edu/professional/nonprofit/state_of_sector/hodgkinson_presentation.html

¹³Ibid.

Besides an aging workforce, demographic projections suggest that Connecticut's future workforce will be more diverse. In its projections, the Connecticut State Data Center shows a decreasing white population and growing minority population. These trends are anticipated to be continued into the future as the state's minority population tends to be both younger and have higher fertility rates than the majority population.¹⁵ In the next ten years, 28% of the state's workers are predicted to come from minority groups.¹⁶

Since these demographic trends are reflected in the composition of our population, and therefore of our resident workforce, that workforce is inevitably going to shift toward one with a higher percentage of minority groups. Inasmuch as the health and vitality of the CT economy requires higher levels of employment for our resident workforce, and because the mission of the CT public higher education system (to the extent it has been well defined) is focused on providing suitable educational and certification programs to help resident grads find jobs and contribute to the state economy, these issues must be looked at collectively because they provide an important backdrop for any efforts made to examine and reform higher education in the state.

Since success in today's workforce is tied increasingly to some level of higher education (degree, certificate), and because CSU has targeted the residential population as their core market, then for these institutions to fulfill their mission they have to focus on producing graduates from the pool of students the state generates (which will be racially more diverse than in the past). For these reasons, the Achievement Gap and the difficulties the minority population groups have in actually graduating or getting certificates has to be a front-and-center issue for the higher education system as a whole.

Increasing minority participation in Connecticut public higher education, and making that experience successful, must be a part of any solution to create the workforce of tomorrow. Another part of any solution, outside the scope of our group but worth noting in passing, is to encourage the state employers to generate new jobs that will attract grads from outside the state, which has the potential to lessen, or possibly reverse the exodus of college graduates overall, and could help enrich the state demographic makeup. Talent flock to opportunity...employers need to create opportunity, and government needs to encourage them to come/stay here and do just that. Achieving this goal will require the cooperation and success of all of the state's public higher education institutions, including the state's largest university, Connecticut State University System (CSU).

While the system has grown beyond Central's founding in 1849 as the state's first public college, CSU's future success will rest with the university's ability to re-brand itself as more than just the teachers' college it once

¹⁴ Ibid.

¹⁵ Coelen, Stephen and Berger, Joseph, *New England 2020: A Forecast of Educational Attainment and its Implications for the Workforce of New England States*, June 2006.

¹⁶ Ibid.

was, and to a large degree it still is. CSU must be an active economic development partner for Connecticut; a CSU education will be high quality, accessible and affordable. The time for business as usual must be banished from the CSU lexicon.

CSU is Connecticut's major producer of public college undergraduate degrees. Even though the number of Bachelor level degrees between UCONN and CSU are similar at 4,500 each, CSU educates the greatest percentage of Connecticut's traditionally aged students; 92% of incoming freshmen at CSU are from Connecticut (versus 75% or so for UCONN); 78% of CSU graduates stay in Connecticut to work, compared to 59% for UCONN.¹⁷ Right now, Connecticut depends on CSU, even more than it depends on UCONN, to educate its high school graduates.

The minority component of the student population now working its way through elementary and secondary education systems in CT is increasing significantly, reflecting overall population trends. If our state economy is to absorb these future workers, we need to ensure they are successful as they navigate the higher education system. Compared to non-minority graduation rates of 44%, minority graduation rates were lower at 37%.¹⁸ This disparity is telling. According to the National Center for Public Policy and Higher Education, this gap has a real impact on Connecticut's economy, causing significant losses in personal income to the state. The Center estimates that if "all racial/ethnic groups had the same educational attainment and earnings as whites, total personal income would be about \$8 billion higher."¹⁹

Additionally, CSU does not compare well with its peers in graduating students within six years. According to the Department of Higher Education (DHE), CSU's six year graduation rate is 45% for all students compared to their peers' median graduation rate of 47%.²⁰ While CSU will (and has) argued that the graduation rate is skewed because so many of their students are part-time and/or commuters (necessitating longer matriculation), their peers (chosen for their similarities with CSU) also have part-time student populations and their graduation rates are still higher.

The low graduation rate is of concern for two reasons. Students who do not graduate are spending large sums of money on a credentialing that they do not receive; many of them are left with debt. According to the College Board, the average CSU student has a debt load of over \$19,000 at the end of his education.²¹ Additionally, Connecticut taxpayers are subsidizing each student at CSU-over \$9,000 per student-regardless of

¹⁷Connecticut Department of Higher Education, *Higher Education Counts: Achieving Results*, 2009.

¹⁸Ibid.

¹⁹ Callen, et al., <http://measuringup2008.highereducation.org/>

²⁰Connecticut Department of Higher Education, *Higher Education Counts: Achieving Results*, 2010.

²¹<http://collegesearch.collegeboard.com/search/CollegeDetail.jsp?collegeId=1243&profileId=2>

whether the student graduates or not.²² With a majority of CSU students not graduating in six years, this is a very inefficient use of scarce state resources. The State simply cannot afford to continue to invest this level of funding in a system which cannot provide a positive outcome for so many students.

As mentioned earlier, even though CSU does produce the largest number of the state's new teachers, CSU simply does not produce graduates where the jobs are. Of the approximately 1,600 CSU teaching degrees in 2008, only 44% of them were in teacher shortage areas such as special education, math and science.²³ Even more disconcerting was the low number of degrees in key workforce areas such as science and technology, which showed a 7% loss in the number of degrees from 2004 to 2008.²⁴ On the positive side, health and life science degrees improved by 32% during this same time period.²⁵

Additionally, and not less importantly, CSU has gotten expensive, driven in large measure by significant administrative growth. Earlier this summer, in response to a series of CSU administrative decisions that were costly and "insensitive to the fiscal realities of our time"; Governor M. Jodi Rell assembled a working group to develop a plan to streamline the CSU administrative structure. This group conducted a fast-paced, data-driven and policy-informed discussion of the programmatic and fiscal issues associated with CSU's current administrative makeup, as directed by the Governor. Based on the information gathered, observations and recommendations, as outlined below, are as follows:

- The CSU administrative structure at a minimum needs to be recalibrated ;
- Growth in personnel—particularly in non-faculty areas—at CSU needs to be curtailed and capped;
- CSU's operation outside of the State's CORE-CT accounting system significantly hampers administrative oversight;
- Office of Policy and Management (OPM), Department of Higher Education (DHE) and Department of Administrative Services (DAS), should evaluate whether steps taken herein for CSU can be applied throughout the public constituent units of higher education and
- Discussions should begin immediately about the governance of higher education, which has been, according to Governor Rell, "running itself largely unchecked."

Toward a successful, affordable, accountable system

²²Connecticut Department of Higher Education, *Connecticut Public Higher Education: 2009 Trends*.

²³Connecticut Department of Higher Education, *Higher Education Counts: Achieving Results*, 2009.

²⁴Ibid.

²⁵Ibid.

"This continued attempt to have undergraduates subsidize the careers of wealthy administrators is unsustainable. Someone is certainly making a lot of money; it just doesn't happen to be anyone the university is supposed to serve."

Jason Ortiz, *The Daily Campus*, February 2010

In Connecticut, tuition and fees at the state's public universities and colleges have historically been among the most expensive in the nation. According to the Connecticut Department of Higher Education (DHE), Connecticut State University (CSU) is the 11th most expensive state university in the country.²⁶ Connecticut's high tuition, along with its mixed financial aid picture, resulted in a failing grade of "F" in accessibility in the recent *National Report Card on Higher Education*, by the National Center for Public Policy and Higher Education.²⁷

The main fact is this: it costs Connecticut families more to send their kids to CSU. Public colleges, which were created as reasonably priced higher education options, are now not so affordable. In *Measuring Up 2008*, the National Center for Public Policy and Higher Education estimated that for the 40% of the state's population who have a median family income of \$24,752, it takes about 43% of that family income to pay for one year of CSU tuition and fees (net of financial aid).²⁸ Clearly, even with significant financial aid, for many families, CSU's tuition and fees at around \$18,000 (for a resident student) put it out of reach. We believe that a successful and affordable CSU system is critical to Connecticut's future and that through measures of greater transparency and accountability, Connecticut's tax and tuition-paying families can be assured that the system will deliver on its mission.

Significant growth noted in CSU administrative costs

CSU's affordability issues can be traced, in large measure, to personnel costs. These costs have been driven by increases in the numbers of, and compensation of, CSU personnel. From 1989 to 2009, total positions at CSU increased dramatically, most significantly for those not directly teaching students. While faculty growth appears to have mirrored enrollment growth, administrative non-faculty positions grew by 73%, far beyond what enrollment changes would have warranted.²⁹

The following schedule, while somewhat outdated, shows the extent to which CSU administrative salaries are inconsistent with national standards.

²⁶Connecticut Department of Higher Education, *Connecticut Public Higher Education: 2009 Trends*.

²⁷Callen, et al., <http://measuringup2008.highereducation.org/>

²⁸ Ibid.

Connecticut State University System Office
Selected Administrative Salaries
Benchmark for Comprehensive Institutions with Budgets of \$106.9 million to \$323.1 million more
Source: CSU Roster and CUPA Administrative Compensation Survey 2007-08

<u>CSU Title</u>	<u>FY 2008 Salary</u>	<u>CUPA Median</u>	<u>% Comparison (Salary/Cupa)</u>	<u>CUPA Title</u>
EXECUTIVE				
Chancellor	\$362,733	\$237,009	153%	CEO, Single Unit
CCSU President	\$285,200	\$237,009	120%	CEO, Single Unit
SCSU President	\$285,200	\$237,009	120%	CEO, Single Unit
ECSU President	\$285,200	\$237,009	120%	CEO, Single Unit
WCSU President	\$285,200	\$237,009	120%	CEO, Single Unit
ACADEMIC				
Vice Chancellor Academic Affairs	\$220,763	\$169,803	130%	Chief Academic Officer
Executive Officer Assessment	\$138,112	\$121,818	113%	Associate Provost
Director Institutional Research	\$140,536	\$84,838	166%	Director Institutional Research
ADMINISTRATIVE				
Chief Administrative Officer	\$181,518	\$140,381	129%	Chief Administrative Officer
Chief Financial Officer	\$186,593	\$127,529	146%	Chief Financial Officer
Director of Accounting	\$95,293	\$77,569	123%	Director of Accounting
Director of Finance and Management	\$96,432	\$93,953	103%	Chief Budget Officer
Chief Information Officer	\$173,226	\$126,619	137%	Chief Information System Officer
Executive Officer Human Resources	\$182,215	\$104,059	175%	Chief Human Resource Officer
Associate Executive Officer Information System	\$121,322	\$96,500	126%	Deputy Chief Information Officer
Executive Officer Finance	\$146,685	\$117,427	125%	Chief of Planning/Budget
Asst. Vice Chancellor Planning/Technical Services	\$130,786	\$105,250	124%	Chief Physical Plant/Facilities Officer
Director of Internal Audit	\$122,603	\$80,101	153%	Director of Internal Audit
Director Capital Budgeting	\$124,097	\$93,953	132%	Chief Budget Officer
EXTERNAL AFFAIRS				
Executive Officer Government Relations	\$153,207	\$105,405	145%	Director of Govt. and Legislative Relations
Director Public Relations	\$140,571	\$98,101	143%	Chief Public Relations Officer
Director of Telecommunications	\$105,662	\$83,076	127%	Director Telecom/Network

Personnel practices at the CSU central office—both the hiring of large numbers of non-faculty and the overly generous compensation once hired—are driving up the cost of attending CSU and making it an unaffordable option for Connecticut students. This cannot continue. In the summer of 2010, Governor Rell proclaimed that these issues-particularly administrative compensation- were inconsistent with her vision of a successful and affordable CSU.

Even with Governor Rell's acknowledgement of the issue, it was challenging for this panel to fully quantify the extent of the problem. As with all public constituent units of higher education, CSU is entirely in charge of hiring and setting compensation rates for its own employees. Repeated efforts to get comprehensive lists of employees, titles, salaries and job descriptions went unanswered. Since this information is not generally

²⁹ Connecticut Department of Higher Education, *Higher Education Counts: Achieving Results*, 2009.

available, as the constituent units are outside the State Personnel Act, without CSU's cooperation, detailed analyses of administrative or other personnel needs cannot be done. When the panel did get partial information from CSU and other sources, it was clear that:

- CSU spends too much on administration (\$6 million on the system office, alone);
- The 2010 decision to increase already sky-high salaries by 10% were at best imprudent, or viewed more cynically, indicative of poor judgment by CSU leaders; and
- There was no oversight, no guiding strategic plan to form and shape hiring practices. Since the highest numbers of hires were for administration rather than faculty, it appeared that the allocation of any new and scarce dollars was spent more on bureaucracy than on academics.

Recalibrate the CSU leadership structure

Clearly, the State needs to recalibrate CSU leadership...the issues are how, and to what extent. Governor Rell has suggested elimination of the system office for a savings of \$6 million. This option offers an opportunity to streamline administration and redirect savings to important academic programming, or just to reduce overall costs. In effect, savings would be re-directed into lower fees and tuition for students. Academic programming does not necessarily need to get BIGGER...arguably it ought to get SMALLER, but either way it needs to get SMARTER relative to market needs.

Right now, the CSU system office and each of the four universities employ staff who provide administrative support for the following functions:

- Finance and Administration;
- Academic Affairs;
- Information Technology;
- Student Affairs;
- Human Resources; and
- Institutional Advancement.

As earlier noted, due to lack of complete data from CSU, we cannot fully analyze which positions or functions are duplicative, yet even based on the partial data we did get we can say with confidence that if Governor Rell's recommendation to eliminate the CSU System Office is implemented:

- State budget savings of \$6 million can be realized.
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- Functions such as leadership or coordination, would be done elsewhere in the higher education system to ensure system cohesion and resource fairness among the four universities. It is not known how much if any of the \$6 million would be affected by moving many of the CSU System Office functions elsewhere. Options for this could include:
 - Increasing Department of Higher Education leadership and policy programs by giving them direct control of CSU System Office functions;
 - Adopting a version of education leadership suggested recently by the Achievement Gap Commission which recommended a model combining all of early childhood education, elementary and secondary education and higher education under a secretary of education or
 - Assigning leadership to a CSU flagship (such as Central or Southern) which already have back office capabilities and which could assume more policy programming.
- This could be the impetus for redesigning education leadership in Connecticut. The Governor’s Commission on Education Achievement recommended restructuring education governance with a single silo for higher education.
 - Choosing CSU as the pilot entity to occupy the first part of the higher education silo might smooth the transition to education leadership that is accountable, streamlined and efficient.

Alternatively, the administration and legislature can consider maintaining—and significantly reducing—the size and costs of the CSU system office. Again, without full access to CSU’s data, it is difficult to analyze which positions would be best conducted in the central office vs. the four universities and DHE. Still, considering the fiscal crisis of the state, a goal of saving \$3 million, or half of the system office costs, would be considered the minimum goal, especially if eliminating the System Office completely cannot be accomplished. Eliminating about half of the system office would:

- Force CSU to combine some of their “back office” operations such as finance, administration and human resources
- Allow CSU to maintain some system structure to their operations, including the coordination of revenues among the universities, to the extent that this can be shown to be beneficial and not redundant with university-level operations.
- Pave the way for restructuring higher education leadership. During a structural change, such as the one contemplated by the Commission on Educational Achievement, the success of

implementing the change is often linked to the leadership provided by the entities being altered.

Whether the CSU System Office is completely or mostly eliminated, it is clear that new leadership is an absolute necessity. With CSU tuition and fees so inordinately high, and the fiscal pressures of the State so severe, the only way to put more money back in students' pockets is to reduce expenditures within the System. Eliminating or reducing administrative costs makes the most sense for students and their families (and eliminating the System Office provides the most resources to accomplish greater academic programming).

Removing obstacles to accountability

Regardless of the direction taken on how to recalibrate the CSU structure, the recent unfettered growth in CSU personnel, especially for those without direct teaching or academic roles, needs to stop. The State must establish clear rules for hiring and compensating administrators both at CSU and throughout Connecticut's system of public higher education, and we envision enhancing the oversight and approval roles of OPM, DAS, and DHE. As this oversight is most urgently needed at CSU, we recommend starting there.

Here is how it would work:

INITIAL PERIOD: July 1, 2011-June 30, 2012

1. CSU will have to provide an inventory, current as of 6/30/11, of employees of the Board of Trustees with annual compensation and job descriptions to OPM, DAS, and DHE.
2. After 6/30/11, if a non-faculty position becomes vacant, the university will have to apply in writing, to OPM, DAS and DHE, justifying the need to refill the position. If OPM, DAS or DHE does not believe the position is justified, its refill will be denied CSU will not be able to refill it.
3. During the initial period, DAS, in consultation with DHE and OPM will establish compensation levels, including both minimum and maximum salaries, for each classification category for employees who are not members of bargaining units at CSU.

ONGOING: POST June 30, 2012

1. Going forward, OPM, DHE and DAS will determine the correct level of administration for CSU reflecting the elimination of redundancies while improving efficiency and effectiveness.
2. The salaries paid to newly hired administrators will be reflective of written compensation plans created by DAS, in consultation with DHE, and approved by OPM.
3. On July 1st of each year, CSU will report to OPM: the number of administrators (along with the calculation for (1) above) and the aggregate salaries (along with the calculation for (2) above). If CSU

exceeds either the number or total aggregate salaries caps, the following year, the CSU block grant will be penalized by a reduction in the block grant equivalent to twice the value of the salaries of those in excess of the caps. CSU will not be permitted to raise tuition or fees to pay for this penalty.

Break down the accounting system silos

While it is known that personnel costs drive the bottom line in higher education, it is currently impossible to quantify that in a meaningful way. This is largely because CSU's separate accounting system, Banner, is not integrated into the state's main system, Core-CT, making it practically impossible for executive and legislative budget offices to access data for policy-making purposes.

Since 2003, the Core-CT system has provided state government with an integrated financial, human resources and payroll system.³⁰ The State's public higher education institutions, along with the Judicial and Legislative branches of government, use Core-CT only in limited ways (for instance to generate payrolls).

When Core-CT was in its implementation stages, it was decided not to include the financial and human resources systems for the constituent units of public higher education, but to leave them largely intact at their system levels. At the time, the financial investment that CSU had made in Banner justified this decision. In hindsight, without complete inclusion in Core-CT, CSU essentially operates outside the scrutiny of executive and legislative branch decision-makers. With this reduced level of visibility, for instance, there is no single point in state government that links financial, human resources and accounting data for the constituent units of higher education.

Ongoing and deliberate scrutiny of the CSU budget and human resources operations, as is done for other Executive Branch agencies, would be an asset to state policy-makers. To accomplish this, CSU must work with OPM to provide access to Banner, along with consistent charts of accounts and continuity of terminology to ensure that state policy-makers have access to the following on a real-time basis:

- Expenditures monthly and by major category;
- Revenues monthly and by major category;
- Personnel by fund, by expenditure and program type; and
- All of the above at campus and System Office levels.

Modernize Education Governance to Ensure Lifelong Success of Connecticut Citizens

³⁰Core-CT website: <http://www.core-ct.state.ct.us/>

To save millions of dollars in 1991, the State agreed to give the constituent units of public higher education extensive financial and administrative flexibility. Since then, tuition and administrative costs have skyrocketed. As Governor Rell pointed out this summer, there needs to be a “sea change in Connecticut to control higher education costs.” This type of change should be bold, reflective of the need to modernize an education system that has failed in fundamental ways.

Besides a temporary infusion of revenue, Connecticut got little from the public constituent units of higher education when it gave up most of its control over higher education programs, funding and tuition levels. When Virginia agreed to cede some of its administrative and fiscal control of public colleges, the schools had to agree to pursue a series of goals related to quality, access, affordability and accountability.³¹ Upon achieving certain portions of the goals, the universities got not only financial incentives but more autonomy. Conversely, one could argue that CSU (and the other public colleges) should have less autonomy because they have chosen administration over faculty, high tuition over affordability and limited access over success and high quality programming.

Bringing CSU or the other public colleges under the Executive Branch umbrella as it was before 1991 would not fix anything; it would simply make the “old new again.” Instead, there has to be a new business and leadership model to make CSU successful. Whether the CSU System Office is eliminated or not, it is clear that a new model is an imperative to its future success. The best new governance structure for CSU would be inclusive of all of higher education and possibly of elementary and secondary education as well. CSU is not alone in soaring tuition and fee costs or in the growth of administration and salaries. While there has not been enough time to fully explore (and make recommendations about) the various governance structures that would be best for Connecticut, the following steps are recommended:

- Establish a group of citizens both inside and outside higher education to explore and make recommendations about CSU (and possibly all of higher education) leadership;
- Create a business plan for implementing this new leadership model;
- Implement the plan; and
- Ensure its success by making someone accountable. The Governor should be able to fire someone if the model fails.

In choosing administrative positions and high salaries over academics, CSU has driven up the cost of education. Besides the implications for affordability, CSU failed to adequately respond to Connecticut’s

³¹<http://www.virginia.edu/restructuring/restructuring.html>

workforce needs. Twenty years ago, manufacturing drove the state's economy; now service industries do. Universities must be nimble enough to respond to the workforce needs of an ever changing economy. Former Virginia Governor Mark Warner addressed this problem by requiring public colleges and universities to "assess regularly the extent to which the institution's curricula and degree programs address the Commonwealth's need for sufficient graduates in particular shortage areas, including specific disciplines, professions and geographic regions."³² This is a critical component missing in the relationship that Connecticut has with its public higher education entities.

According to the Connecticut Department of Labor, "hot" (high demand) jobs in the next eight years include the following³³:

- Accountants;
- Computer software engineers;
- Computer software systems analysts;
- Network systems analysts; and
- Nurses.

As previously discussed, CSU has not been producing enough graduates in key need areas. CSU should not be producing elementary school teachers who will find it difficult to find jobs; instead, more CSU students should be graduating with teaching degrees in shortage areas such as special education and math or science. At a minimum, CSU career services and student advisors should be clearly articulating employment trends to the parents of incoming students, guidance counselors and to the students themselves before school begins.

More importantly, CSU must itself be more responsive to the economic employment trends, not just of Connecticut, but of the global economy. Continuing to graduate large numbers of students who cannot find jobs in Connecticut, even in cases where actual jobs do exist and remain unfulfilled, is an inefficient and ineffective use not only of state resources, but those of the parents and students who are paying for educations that will not result in good-paying jobs in their home state. According to a 2010 CT Business and Industry Blum Shapiro "Survey of Connecticut Businesses", 29% of businesses in the state who answered the survey reported difficulty in finding and hiring workers, and of that 29%, 60% reported the main reason for was the fact that applicant skills and qualifications did not fit the job requirements.

³²Lara Couturier, Checks and Balances at Work: The Restructuring of Virginia's Public Higher Education System, June 2006.

³³<http://www1.ctdol.state.ct.us/lmi/cttopjob.asp>

With the prospect of scarce state resources for some time, and with a desire to support higher education affordability, there is little in the way of current CSU resources that could be used to re-invent their mission to be more nimble and responsive to the state workforce needs. In order to finance the academic infrastructure needed for new workforce initiatives, CSU will have to streamline its operations. Reducing its administration is one step, but there are other cost-savings ideas which might provide the financial wherewithal to pay for workforce relevant programming including the following:

- **Eliminate low-interest, low enrollment courses and explore other cost-savings strategies so resources can be redirected to the coursework needed to prepare the next generation of workers.** Eliminating low interest and low enrollment courses and majors, even when done for all of the best reasons, whether financial or otherwise, always comes with some amount of emotion and controversy. It usually cannot be done overnight because there are students who deserve the opportunity to finish their studies before their major is eliminated. Add to that the need to comply with collective bargaining concerns, and it is clear that some time will be required before a major is eliminated. Recently, the University of Connecticut announced that it would be spending \$3 million for an outside consultant to help the university find areas (including academics) to cut \$50 million. The concept behind this initiative has merit. UCONN, along with CSU and the Community Colleges, should be systemically looking at courses offered across the education continuum in Connecticut. There is probably room for course reductions based on systemic duplication. Such an analysis, while outside the scope of this group, could be the first step in considering a reconfiguration of education governance in Connecticut.
- **Hire an outside consultant or group to recommend whether a set of courses or a major should be eliminated.** Other public and private institutions such as Brown, the University of Texas and the University of North Carolina, to name a few, have used outside assistance when considering these types of major decisions.
- **Expand the three year degree program.** Not only would students save but there would be the potential to reduce and/or redirect staff to implement the CSU workforce programs. Around the country, increasingly, academic institutions are using this approach to decrease student and institutional costs. Recently, the University of Massachusetts (UMASS) began allowing freshmen in limited majors to choose a three year degree track.³⁴ Later, more majors will be added to the mix. UMASS' approach formalizes what has been going for years: a small number of incoming freshmen will

³⁴[Tracy Jan](#) , [Boston Globe](#), September 27, 2010, *UMASS will offer 3-year degree plan*

be able to use their high school Advanced Placement college credits in college. The UMASS approach limits the potential three year graduate pool to the 10%-25% of the students who took Advanced Placement courses before they were admitted.³⁵ Other schools, such as the University of Rhode Island, are streamlining their coursework to fit it into the three year model, or as one professor said, “four years crammed into three.”³⁶ The idea of three year programs appeal because they “reduce the cost to students, reduce the cost to institutions and create room for other well-prepared students.”³⁷ Such savings could be used to pay for the reinvigoration of the CSU mission. However, this should not be done if it results in sacrificing quality.

³⁵ Ibid.

³⁶ Alison Damast, [Bloomberg Businessweek](#), September 9, 2010, *The No Frills College of the Future*

³⁷ Ibid.

Respectfully submitted

Connecticut has every reason to be proud of our public and independent colleges and universities, particularly the four universities that make up the CSU system. We are, to a person, believers in CSU and unwaveringly devoted to ensuring its success. Connecticut needs CSU as its workforce partner, as a stalwart ally in providing citizens with lifelong success and as a collaborator in eliminating the loathsome achievement gap between white and minority students.

Serving on Governor Rell's Connecticut State University Working Group was an exciting opportunity to learn about, discuss, and postulate possible alternatives to existing CSU administrative structures. It was not our mission to supplant the work of the CSU Board of Trustees, faculty, staff or students, the Board of Governors of Higher Education, or the General Assembly. Through our relatively brief, yet wide-ranging, deliberations, we kept as our goal the crafting of meaningful recommendations to ensure continued and improved success throughout the CSU system, and reporting those ideas to the Governor.

We realize that any systemic changes to Connecticut's public higher education system will take place after a new legislature and administration are in place, and recommend that they—and all stakeholders of the CSU system—consider them with an open mind and with the needs of Connecticut's families foremost in their minds. Connecticut's families care less about administrative titles and structures than knowing it will remain an accessible, affordable, successful system.

Brenda L. Sisco, Acting Secretary of the Office of Policy and Management, chaired this group and was ably assisted by Lisa Hammersley, Budget Specialist, and the following members:

Patricia J. Christiana

Yvonne R. Davis

Brian J. Flaherty

Kathleen S. Guay

Moira Lyons

Dr. Marion Martinez

John McKinney

Dr. Richard Taft