



Texas Higher Education Coordinating Board

Minutes Advisory Committee on Higher Education Cost Efficiencies

January 12, 2010
10:00 a.m. - 3:00 p.m.

Texas Higher Education Coordinating Board
Room (2.140)

Members Attending: Fred Heldenfels (Chairman), Ernest Angelo, Elmo Cavin, David Engle, Rich Escalante, Ben Ferrell, Laurie Fluker, Bernie Francis, Rick Francis, Woody Hunt, Scott Kelley, Mike McKinney, Raymond Messer, Erle Nye (via telephone conference), Brenda Pejovich, Jesse Rogers, Greg Williams, and Roberto Zárate

Facilitators: David Gardner, Raymund Paredes, and Patti Summerville

The meeting convened at 10:00 a.m.

Welcome and Comments on the Committee's Charge

Chairman Heldenfels called the meeting to order and welcomed everyone to the second meeting of the Advisory Committee on Higher Education Cost Efficiencies (ACHECE). Each member introduced themselves and identified themselves as either members from the higher education sector or business sector.

Chairman Heldenfels introduced two consultants hired to facilitate the committee and produce the final committee report of recommendations. Patti Summerville, Senior Counsel for TateAustinHahn, was introduced as the professional facilitator for the committee, and Patrick Kelly, Senior Associate, National Center for Higher Education Management Systems (NCHEMS), was introduced with the task of producing the final ACHECE report.

Commissioner Paredes spoke about the committee's charge, conveying the importance of the members' work and his optimism about the success of the committee's final outcomes.

Ms. Summerville asked the committee members to record ideas throughout the meeting to utilize in group work later in the afternoon. Ms. Summerville discussed three items that would guide her facilitation of the meeting:

1. Stay "On topic";
2. "Speak in nuggets" (two minutes maximum); and
3. "One conversation" at a time.

Approval of Summary Minutes from the December 3 Meeting

On motion by Roberto Zárate, seconded by Elmo Cavin, the December 3, 2009, Advisory Committee on Higher Education Cost Efficiencies meeting minutes were approved.

Study of What Stakeholders Think About Controlling College Costs

David Gardner, Deputy Commissioner for Academic Planning and Chief Academic Officer at the Texas Higher Education Coordinating Board, introduced presenter John Immerwahr, Ph.D., Professor, Villanova University and Senior Research Fellow, Public Agenda. Dr. Immerwahr participated via the Internet.

Dr. Immerwahr presented a PowerPoint presentation (see PowerPoint entitled "The Fractured Conversation: The Higher Education Debate"). The presentation provided committee members with a background of higher education cost efficiency issues and the opinions of various stakeholders (college presidents, public citizens, state higher education officials, and faculty) concerning the issues in question. Two websites were cited as further sources of information for committee utilization: www.publicagenda.org and www.highereducation.org .

Questions, Answers, and Discussion of Studies of Stakeholder Groups

Chairman Heldenfels asked Dr. Immerwahr if he was aware of any higher education campuses having successfully engaged faculty in cost efficiency discussions. Dr. Immerwahr replied that he has no knowledge of any such successful endeavors.

Raymond Messer, President and Chairman of the Board for Walter P. Moore and Associates, Inc., asked if any institutions have attempted to produce a more narrow focus and succinct definition of the problem. Dr. Immerwahr replied that he is not aware of any institutions having done so thus far.

Commissioner Paredes asked if any evidence exists of faculty being more willing to change academic culture. Dr. Immerwahr replied that community college faculty are the most flexible in terms of change, whereas flagship university faculty are the most resistant to change.

Laurie Fluker, Associate Dean of the College of Fine Arts, Texas State University, stated that she felt faculty members would like to have the necessary conversation about how to better retain

students. Dr. Fluker further stated that the necessary conversation requires participation across a higher education institution, and not from only the top down.

Scott Kelley, Executive Vice Chancellor for Business Affairs, The University of Texas System, asked whether the public and/or faculty might be willing to accept reductions in terms of ancillary services given that universities have grown into more of a holistic community. Dr. Immerwahr replied that the higher education industry has become very competitive in recent years, especially the increased demand for services by higher education consumers.

Jesse Rogers, President of Midwestern State University, suggested conducting research involving the creation of focus groups with college dropouts who were considered college ready as college freshman. Dr. Immerwahr referred to a recent study he produced for the Gates Foundation concerning college dropouts. Dr. Immerwahr described non-college pressures and outside distractions as obstacles to college completion. Dr. Immerwahr further discussed the importance of focusing on non-traditional students when examining student retention.

David Engel, Principal, Engel and Associates, LLC, asked what can be learned from China, India, and Japan, given the argument that their higher education services are superior to those offered in the United States. Dr. Immerwahr discussed how “baby boomers” are more educated than the younger generation of adults in the United States, whereas the aforementioned countries are focused on investing in educating their youth. Dr. Immerwahr further explained how China, India, and Japan define themselves by describing their highly educated youth in contrast to describing the education of their population as a whole.

Roberto Zárate, Trustee, The Alamo Colleges, asked what percentage of community colleges is represented in the research Dr. Immerwahr presented. Dr. Immerwahr explained that community colleges represented approximately 25 percent of his study. Dr. Immerwahr further explained that his findings include a theme among college presidents — their belief that community colleges are more apt to educate underprepared students than are universities.

Bernie Francis, Chief Executive Officer of Business Control Systems, asked if a common source of facts and language could act as the mechanism to draw all of the stakeholders together. Dr. Immerwahr replied that he felt dialogue coupled with trust among the stakeholders would produce the desired group cohesiveness.

Elmo Cavin, Interim President, Texas Tech University Health Sciences Center and CFO, asked how accrediting bodies were factored in among the various stakeholders. Dr. Immerwahr said that college presidents were concerned with the demand for accountability from accrediting bodies; however, this was not specifically examined in his study.

Dr. Fluker referred to George Kuh’s book *Student Success in College*, and asked if any dialogue existed among the stakeholders pertaining to the George Kuh’s findings. Dr. Immerwahr said

that his study was conducted at a more general level of perception when compared with Dr. Kuh's work.

Mr. Messer asked if accomplishing dialogue in a trusting atmosphere would be more feasible if various stakeholders representing different areas were mixed groups from other higher education institutions/organizations. Mr. Messer gave the example that faculty members from one higher education institution could meet with executive officers from another higher education institution, along with mid-level management from a third higher education institution to alleviate pressure on the stakeholders when initiating dialogue. Chairman Heldenfels echoed Mr. Messer's sentiment and applauded this idea.

Chairman Heldenfels asked committee members to share their comments/thoughts on Dr. Immerwahr's study. Dr. Rogers stated that the report was the best summary he has seen on the subject. Mr. Zárate shared his belief that the report personifies his past and current efforts as a trustee of The Alamo Colleges.

Trends in College Spending: Where does the money come from? Where does it go?

Chairman Heldenfels introduced presenter Jane Wellman, Executive Director of The Delta Project on Postsecondary Education Costs and Productivity. Ms. Wellman participated via the Internet and presented a PowerPoint presentation (see PowerPoint entitled "Trends in College Spending: Where does the money come from? Where does it go?"). Ms. Wellman informed committee members that she would be presenting metrics assembled from national data to identify patterns of higher education finance.

Chairman Heldenfels asked Ms. Wellman if the upcoming 2008 report would include any significant change in the trends included in her current report. Ms. Wellman responded that the 2008 data will show a slight reversal of the trend that the state share is declining. Ms. Wellman further explained that none of the 2008 data presented dramatic changes from the 2006 reports.

Mr. Engel asked for Ms. Wellman's thoughts concerning spending per student at public versus private higher education institutions. Ms. Wellman replied that there are huge differences due to the effect of competition among higher education institutions.

Chairman Heldenfels asked if there are similar studies concerning the trends in research spending and auxiliary services spending per graduate. Ms. Wellman replied that they did not examine these areas, as her study focused only on education-related expenditures.

Report on Current Cost Efficiency Efforts at Texas Public Institutions and Recommendations from Institutions on Critical Statewide Cost Saving Efforts

Chairman Heldenfels introduced presenter Gary Johnstone, Deputy Assistant Commissioner for Planning and Accountability at the Texas Higher Education Coordinating Board. Mr. Johnstone presented a PowerPoint presentation (see PowerPoint entitled "Current Cost Efficiency Efforts at Texas Public Institutions"). Mr. Johnstone informed committee members that his presentation is based on results from a higher education institution survey concerning areas of recent cost efficiency efforts.

Mike McKinney, Chancellor of the Texas A&M University System, commented on the lack of clarity and definition for higher education administration, institutional support, and academic support areas.

Dr. Gardner asked if any of the recommendations collected from the surveyed institutions could be implemented on a statewide level. Mr. Johnstone replied that there were discussions about statewide purchases of utilities (e.g., natural gas).

Mr. Zárate commented on the value of gathering data on higher education costs and formulating metrics for future tracking.

Lunch

Members adjourned to the Coordinating Board's Lone Star Room for lunch and informal conversation.

Recommendations of Cost Efficiencies Based on Analysis of Studies from Other States

Chairman Heldenfels reconvened the meeting at 1:00 p.m. and introduced presenter Lee Holcombe, Director of the Higher Education Policy Institute. Dr. Holcombe presented a PowerPoint presentation (see PowerPoint entitled "Cost Efficiencies") summarizing the most salient points from the reading packet on cost efficiency issues provided to committee members, and from additional conversations with state leaders and national experts from outside Texas.

Dr. Fluker asked Dr. Holcombe to clarify how to successfully deliver the course redesign model properly. Dr. Holcombe responded by explaining that the model was developed by Dr. Carol Twigg, President and CEO of the National Center for Academic Transformation, and that she would provide a detailed explanation of the course redesign model at a future ACHECE meeting (Dr. Twigg has been invited to present at the March 9, 2010 meeting). Dr. Holcombe then

proceeded to describe the model as a method for tutoring and technology that is course specific.

Commissioner Paredes commented how the course redesign model can best yield improved student learning outcomes and cost savings when used in required, lower-division courses. Commissioner Paredes further elaborated on the course redesign model's sophisticated software allowing for increased time efficiency for faculty members.

Chairman Heldenfels thanked Dr. Holcombe for his presentation and asked Ms. Summerville to introduce the next item on the agenda.

Committee Discussion

Ms. Summerfield instructed committee members to divide into small groups with the objective of developing three to five major recommendations to share with the committee at the conclusion of the small group discussions. Committee members then divided into four pre-assigned groups.

Summary of Short- and Long-Term Solutions

Ms. Summerfield and committee members discussed the solutions suggested by each small work group. Each solution was categorized as follows:

1. Probability of successful implementation (high, medium, or low probability);
2. Financial impact if implemented (high, medium, or low impact); and
3. Estimated implementation time (immediate, short term, or long term).

See attached document entitled "Cost Efficiency Recommendations 1.12.10" for a summary of solutions developed and categorized into the aforementioned categories of implementation.

Planned/Proposed Topics and Speakers for Future Meetings

A two-page document was provided to committee members detailing planned/proposed topics and speakers for future meetings scheduled from February through May.

Adjournment

The Advisory Committee on Higher Education Cost Efficiencies meeting adjourned at 3:00 p.m.



1	2	3	4	5
Cost Efficiency Recommendations	Notes	Probability of Successful Implementation	Financial Impact if Implemented	Estimated Implementation Time
		H/M/L	H/M/L	IM/ST/LT
Implement outcome-based funding based on successful completions (which doesn't negatively impact either quality or access)	<ul style="list-style-type: none"> Elevate success as measured by outcomes Tailor/customize by type of institution No additional cost to state Use incentive program 	M	M+	LT (Adoption immediate with total fulfillment within 5 years)
Utilize Course Redesign to leverage and reallocate faculty time	<ul style="list-style-type: none"> Developmental courses to be taught by CC (note: may be teaching at University campuses) Fear of CC's becoming dumping ground such that CC brand would be damaged Courses should be at CC tuition rates 	H	M+	LT
Greater use of CCs to partner with IHEs to reduce cost and increase success in early years	<ul style="list-style-type: none"> Example: Blinn/A&M Dual enrollment 2+2 HE system Align courses between CC and HE through increased collaboration Greater utilization and increased capacity 	H	H	LT
Strategic use of Tuition Discounts	<ul style="list-style-type: none"> "No frills" campuses 	H	M	ST-LT
Larger procurement pools	<ul style="list-style-type: none"> Across systems Health insurance, etc. Could be particularly helpful for Community Colleges in health insurance Issues: lower prices but must standardize 	M	M	LT



1	2	3	4	5
Cost Efficiency Recommendations	Notes	Probability of Successful Implementation	Financial Impact if Implemented	Estimated Implementation Time
		H/M/L	H/M/L	IM/ST/LT
	and must guarantee certain expenditure			
Combine University and Health Related Institutions into a single system	<ul style="list-style-type: none"> • Could be mission-based systems 	L	H	LT
Cross-listed courses, i.e., virtually taught at different institutions	<ul style="list-style-type: none"> • 	Not yet rated	Not yet rated	Not yet rated
Optimize reductions in operational costs by determining most efficient class days	<ul style="list-style-type: none"> • 4 day class week • 6 day classes but shorter semesters • Individual campuses determine most efficient operation 	Not yet rated	Not yet rated	Not yet rated
Increase course load of faculty	<ul style="list-style-type: none"> • Less faculty/more productive 	Not yet rated	Not yet rated	Not yet rated
Change student class load culture (increase # of hours expected to complete/semester)	<ul style="list-style-type: none"> • On-time completions 	Not yet rated	Not yet rated	Not yet rated



1	2	3	4	5
Cost Efficiency Recommendations	Notes	Probability of Successful Implementation	Financial Impact if Implemented	Estimated Implementation Time
		H/M/L	H/M/L	IM/ST/LT
Find the common ground in the 4 perceptions	<ul style="list-style-type: none"> • NO BRAINER • Conduct focus groups, mixing faculty from Campus A with President from Campus B, etc. <p><u>Stakeholder; Definition of Problem; Solution:</u></p> <ul style="list-style-type: none"> • College Presidents; Caught in iron triangle (cost/quality/access); Reinvest in higher education • Public; caught between growing importance and decreasing access; protect access at all costs • State Financial Officers and legislators; need more college graduates; increase productivity and retention • Faculty; deteriorating quality of students and declining standards; Raise standards, improve K-12, stop talking about productivity 	Not yet rated	Not yet rated	Not yet rated