

**A FRAMEWORK FOR REVIEWING PRIORITIES, PRODUCTIVITY, AND
ACCOUNTABILITY IN ILLINOIS HIGHER EDUCATION**

Submitted for: Information.

Summary: Illinois' system of higher education faces significant challenges in achieving its goals and priorities, and in maintaining the overall quality of the system. These challenges cover many areas including fiscal, demographic, public, and societal pressures on the system. This item outlines an initial framework for considering and addressing these challenges in a systematic and comprehensive manner through a review of priorities, productivity, and accountability in Illinois higher education. Additional discussion and consultation will be necessary to appropriately refine the goals and scope of such a review.

Action Requested: None – presented for discussion only at this time.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

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ACCOUNTABILITY IN ILLINOIS HIGHER EDUCATION**

Background

Illinois has one of the largest and most diverse systems of higher education in the nation, ranking fourth among all states in total enrollment and sixth in total degrees awarded. Perhaps more important is Illinois' continued status as one of the most elite higher education systems in the United States. In October 2002, the National Center for Public Policy and Higher Education released its second national higher education report card, *Measuring Up 2002*, which grades states in five categories of key higher education indicators of performance, including preparation for college, participation, affordability, degree completion, and benefits. The report card ranks Illinois third among all state systems of higher education in the nation.

The solid foundation underlying these successes did not develop overnight. It is the product of decades of proactive planning and policy development, effective resource investment and allocation, and implementation of accountability mechanisms at all levels. However, the quality of the system is at risk. After several years of strong public support for higher education, Illinois is now in a period of unprecedented economic and fiscal downturn that resulted in an overall reduction of \$250.4 million (9.4%) in state general funds support for higher education operations and grants between fiscal years 2002 and 2004. At the same time, the demands on the system remain as strong as ever, creating a situation where fewer resources are available to address ever-increasing expectations and priorities.

Twelve years ago, the Illinois Board of Higher Education embarked on a major initiative to address the priorities, quality, and productivity of Illinois higher education – also known as “P•Q•P.” The premise of the initiative was that higher education must develop a clear sense of its priorities, ensure the productive and efficient use of existing resources, and demonstrate public accountability before seeking additional assistance from the taxpayer and student. This initiative, which involved the elimination of low priority/low quality activities and programs, was controversial at times within the higher education system. Nonetheless, it is generally regarded as having been successful in establishing credibility with state leaders by demonstrating that Illinois' system of higher education was being proactive and accountable in “putting its house in order.” Higher education did not simply ask for additional resources from the state and students to meet the infinite demands placed upon the system. The initiative permitted institutions to retain the funds freed up from elimination of low priority/low quality activities and productivity improvements for reinvestment in higher priorities.

While the key themes of P•Q•P have continued to be emphasized through the Board's planning, budgeting, and quality assurance activities, much has changed over the twelve years since its inception, including major changes in the structure and governance of public higher education and the implementation of new planning and policy initiatives (e.g., *The Illinois*

Commitment, Committee on Access and Diversity) that have had a significant impact on higher education's priorities. Thus, simply resurrecting P•Q•P as a process to address the current and emerging situation may ultimately prove ineffective. However, the basic premise of this initiative remains true – *Illinois' system of higher education must have a clear sense of its priorities, ensure the efficient and productive use of existing resources, and demonstrate public accountability before seeking additional assistance from the taxpayer and student.* Thus, the purpose of this paper is to outline for initial discussion a framework for addressing the current challenges facing Illinois higher education in a systematic manner that is in keeping with this premise and maintains the high quality of the system.

What Are the Key Statewide Priorities for Illinois Higher Education?

The Illinois Commitment, the Board of Higher Education's statewide strategic plan for higher education sets forth a series of goals and related action steps for the state's system of higher education, and can be summarized as follows:

- ensuring access to and diversity within higher education;
- enhancing and maintaining affordability;
- providing a quality educational experience for students;
- helping to meet and anticipate the economic and social needs of the state;
- ensuring the efficient and productive use of state and other resources in carrying out the above activities; and
- demonstrating accountability to state policymakers and the public at large for all of the above.

These priorities form the framework within which plans and policies are developed and implemented, resources are allocated, and resulting successes and failures are documented.

What “Levers” Does the Board of Higher Education Have to Address These Priorities?

The Board of Higher Education has three primary “levers” available to address these priorities: planning and policy development, budget development, and accountability system development. These are described below:

- **Planning and Policy Development** – As noted previously, *The Illinois Commitment* sets forth priorities for Illinois' system of higher education. In addition, the Board also engages in various policy development activities related to the implementation of this plan and in addressing other areas of concern (e.g., Committee on Access and Diversity; Committee on Affordability; faculty diversity initiatives).
- **Budget Development** – The development of the Board's budget priorities and recommendations is perhaps one of the most significant tools available to it, enabling the allocation of resources to priority areas of concern such as improving access to higher education (e.g., implementation of The University Center of Lake County) and enhancing affordability.

- **Accountability System Development** – The Board has a number of accountability mechanisms in place to ensure that resources are being directed toward high priority activities in an effective manner. Each year, institutions submit “results reports,” which document progress toward achievement of the goals of *The Illinois Commitment*. This effort is being enhanced this year to incorporate the statewide performance indicators approved by the Board in February 2003. Another important mechanism for ensuring both accountability and academic quality is the Board’s mandate on regular program review at public colleges and universities. Finally, significant amounts of data and information are collected and reported by institutions through regular and ad hoc studies by the Board each year in support of these and other accountability mechanisms.

Together, these tools provide a solid foundation by which to influence the achievement of the goals of *The Illinois Commitment*.

What Are the Major Challenges Faced by Illinois Higher Education?

Illinois’ system of higher education faces significant challenges in achieving its goals and priorities, including the following:

- **Fiscal pressures**, including the state’s difficult fiscal condition, continuing state budget pressures of significant magnitude (e.g., healthcare, P-12 education, retirement systems) and as a result, state support for higher education declining as a proportion of total state budget, and an increasing reliance on tuition revenue to support operating costs.
- **Demographic pressures**, including increasing enrollment demand in recent years, projected increases in high school graduates through the end of this decade that will continue to fuel enrollment demand, and an increasingly diverse state population that has equally diverse educational needs.
- **Public pressures**, fueled by perceptions that higher education has not been accountable or efficient in its use of resources and that higher education passes on this lack of efficiency to students and their families through increasing tuition and fees.
- **Societal pressures**, including demands that higher education play a significant role in addressing the issues facing Illinois’ P –12 education system as well as state and local economic development needs.

Illinois is certainly not unique or alone in the conditions it faces, yet these challenges are also opportunities in reviewing the priorities, productivity, and accountability of Illinois higher education on a statewide basis.

A Framework for Reviewing Priorities, Productivity, and Accountability in Illinois Higher Education

Over the past several months, the Board of Higher Education has employed the three “levers” available to it in confronting the aforementioned challenges on several fronts:

- Establishing the Committee on Affordability and adopting the committee’s recommendations (Planning and Policy Development; Budget Development)
- Initiating a process in conjunction with the public universities to improve administrative efficiencies and reduce administrative costs in several areas so that these resources may be internally reallocated to core mission activities (Planning and Policy Development; Budget Development; Accountability System Development)
- Adopting a policy to enhance public university operating budget review, approval, and oversight by governing boards (Planning and Policy Development; Accountability System Development)
- Discussing and setting initial priorities for fiscal year 2005 budget development in consultation with the higher education community (Budget Development)
- Establishing the Committee to Review Health Professions Education Programs, adopting the committee’s recommendations, and initiating proposed administrative rules changes consistent with the committee’s recommendations (Planning and Policy Development; Budget Development; Accountability System Development)
- Initiating a process to conduct a “mid-term review” of *The Illinois Commitment* (Planning and Policy Development)

At the same time, it is imperative that these levers be brought to bear in a systematic and comprehensive manner in addressing these challenges so that the underlying quality of the system is maintained and enhanced. A framework for such a review could encompass the following actions and activities:

- ***Validation of existing priorities and/or identification of new priorities for Illinois higher education.*** Given the wide-ranging nature of both statewide and institutional priorities, it is imperative that the system has a clear sense of the activities and programs of highest importance in order to make the most effective use of its limited resources. This discussion should be considered within the context of the mid-term review of *The Illinois Commitment* to ensure that the strategic plan and priorities are aligned.
- ***Exploration and identification of efficiency/productivity enhancement opportunities across all activities.*** While initial steps have been taken to improve administrative efficiency and productivity at public universities, this is but one relatively small part of the overall draw on higher education’s resources. With the largest portion of institutional budgets being devoted to core mission activities (i.e., instruction, research, and public service), opportunities for improving the productivity of the academic enterprise also needs significant attention in order to fully maximize existing resources to address key priorities. This would include an examination of processes for the delivery of educational services particularly as they relate to academic productivity, as well as the current scope of academic programs within the context of both these key priorities and institutional

mission. The Board has begun initial conversations with its Faculty Advisory Council (FAC) on the issue of faculty productivity specifically, and FAC members will be discussing their thoughts and recommendations regarding productivity with the Board at the December Board meeting. Attention should also be given to opportunities for reducing or streamlining state-level regulatory and other reporting requirements for higher education institutions to further free up resources internally to be redirected to high priority activities.

- ***Identification of “accountability system gaps.”*** While there are many accountability and quality assurance mechanisms currently in place at the state and institutional levels, ongoing concerns by the Governor, General Assembly, and public at large indicate a need to critically re-examine these current processes. What works well? What needs improvement? Are there processes that can be eliminated? What else needs to be done?

Given the complexity of the challenges faced and the short- and long-term implications of such an initiative, there are likely other considerations that will need to be taken into account by the Board to ensure that the underlying actions and activities are appropriately focused. Additional discussion and consultation with members of the higher education community and others will be necessary to refine the goals and scope of such a review.

Summary

Illinois’ system of higher education faces significant challenges in achieving its goals and priorities, and in maintaining the overall quality of the system. These challenges cover many areas including fiscal, demographic, public, and societal pressures on the system. This item outlined an initial framework for considering and addressing these challenges in a systematic and comprehensive manner through a review of priorities, productivity, and accountability in Illinois higher education. Additional discussion and consultation will be necessary to appropriately refine the goals and scope of such a review.