



Central • Eastern • Southern • Western

P.O. Box 2008, New Britain, Connecticut 06050
(203) 827-7700

Office of the President

RESOLUTION

concerning


CONNECTICUT STATE UNIVERSITY BOARD OF TRUSTEES'

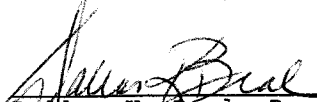
REACTION TO MGT RECOMMENDATIONS MADE TO THE THOMAS COMMISSION

December 7, 1990

- WHEREAS, The Thomas Commission has reviewed the findings and recommendations on Higher Education in Connecticut from MGT of America, Inc., and
- WHEREAS, These findings and recommendations clearly may have a significant impact on the future conduct of public higher education, and
- WHEREAS, The Board of Trustees for the Connecticut State University and its campuses have responded to the previous draft reports of the consultants (MGT), and
- WHEREAS, The President and the staff of Connecticut State University have joined with the Board of Governors, University of Connecticut, Community Colleges/Technical Colleges and Charter Oak College in preparing a response to the November 9, 1990, draft report of the consultants (MGT), entitled Position Paper from Connecticut Higher Education on Recommendations Before the Thomas Commission, be it therefore
- RESOLVED, That the Board of Trustees endorses the Position Paper from Connecticut Higher Education on Recommendations Before the Thomas Commission, (Addendum A to this resolution), and be it further
- RESOLVED, That the Connecticut State University Board of Trustees communicates to the Thomas Commission, the Governor and the Legislature its further concern over what in the final report of MGT to the Commission is a substantial shift in authority governing the affairs of Connecticut State University from the Board of Trustees to the Board of Governors as shown in Addendum B to this resolution.

A Certified True Copy:


Alvin B. Wood, Acting Chairperson


Dallas K. Beal, President



An Equal
Opportunity
Employer



STATE OF CONNECTICUT
 Department of Higher Education

TO: Members of the Thomas Commission

FROM: Norma Foreman Glasgow, Commissioner

DATE: December 3, 1990

Norma Foreman Glasgow

You will be considering this week findings and recommendations on Connecticut higher education from MGT of America. Before taking action on the report, higher education leaders respectfully urge your consideration of their recommendations and analysis of the report. The report has many meritorious recommendations. Others could damage higher education and are of grave concern. The projected savings resulting from the recommendations are misleading. We offer our positions and analysis in a spirit of cooperation.

The leaders of higher education in Connecticut are united in our commitment to excellence, to student access, and to cost-effectiveness for higher education. We also are committed to working with the Thomas Commission, our new Governor and the General Assembly to achieve those goals. In this spirit of cooperation and commitment we, together, reviewed the MGT of America report and the positions adopted by the Board of Governors on major recommendations of the report.

The meeting included the Commissioner of Higher Education and the Chairman of the Board of Governors; the president and board chairman of the University of Connecticut; the president of the Connecticut State University; the executive director and board chairman of the Community/Technical Colleges; and the president and board vice-chairman of the State Board for Academic Awards.

There was broad and strong consensus on a majority of the issues. The findings themselves indicate that the major problems are not with the existing structure but with the inability of the structure to function effectively. We urge retention of the existing system. The higher education community also urges the Commission to endorse reforms which can lead to improved fiscal and operational management. These include modifications of overly restrictive pre-audit controls in budgeting, facility planning and administration, personnel, purchasing, travel and printing.

Another matter of grave concern is that the savings projections are misleading. An analysis of the five-year cumulative savings reveals that they are built primarily on avoiding anticipated future costs (42.5%), raising revenues (23.8%) and expenditure reductions (33.7%). There are major differences between reducing an existing budget and not receiving an

61 Woodland Street • Hartford, CT 06105

An Equal Opportunity Employer

Members of the Thomas Commission
December 3, 1990
Page Two

increase, i.e., avoiding a cost in the future. The concept of cost avoidance assumes growth whether it is for capital or operating budget projects. If there are restricted resources to build facilities or expand programs, then cost avoidance is a meaningful issue. Higher education in FY 1990-91 already has suffered real expenditure reductions of \$15.5 million or \$12.5 million more than recommended in the consultant's report. Cumulatively, \$77.5 million will have been saved, or avoided, by FY 1995. A summary analysis of the projected savings is attached. We know you share our concern that expectations for savings be based on clear and factual information.

We also urge your consideration of the attached position paper. It addresses most of the major recommendations in the MGT of America report. The recommendations adopted by the Board of Governors reflects the consensus of the discussion of the leaders except in those areas where discussions still are underway or there are stated differences in positions.

It should be emphasized that the University of Connecticut Health Center, a key component of Connecticut higher education, was reviewed separately. The Commission should be aware that there are potential impacts of the recommendations on the Health Center be considered when summarizing all Commission studies.

We hope this information will be helpful to the Commission as you work toward our mutual goal of excellence and effectiveness for Connecticut higher education.

NFG/ark
Attachments

Position Paper
from
Connecticut Higher Education
on
Recommendations Before the Thomas Commission

Background

MGT of America has prepared a draft report of findings and recommendations regarding Connecticut higher education to be presented to the Thomas Commission on December 6. The recommendations are divided into three sections: One package deals with governance changes, another package with decentralization, and a third section includes "stand alone" recommendations on a variety of issues.

In considering a position on these packages and stand-alone recommendations, it is helpful to consider their purposes: to reduce expenditures, to increase revenues, and to improve effectiveness. These combined purposes must lead to cost effectiveness. This concept includes cost savings, but it also considers the impact on the quality of education, student access, equity and diversity, and service to the state. We also must consider how best to bring about change in an existing system.

Analysis of the consultant findings leads to the conclusion that major problems reside less with the system's structure and governance than with the ability of the structure to function effectively.

The consultants point out that Connecticut higher education is producing impressive results, among them the highest college enrollment rate in the nation and output at the master's and doctoral levels among the highest in the nation. They also note that during the past decade, major improvements have been made in governance, administration, the educational delivery system, and opportunities for disadvantaged students.

The major problems they identify have to do with the ability of the system to function effectively. Their findings point to extensive legal provisions as well as rules, regulations and procedures from agencies external to higher education that result in an "overly centralized administrative system (which) wastes millions of dollars" and creates system bottlenecks, unnecessary delays and cost escalation. The findings state that reforms of overly restrictive pre-audit controls in budgeting, facility planning and administration, personnel, purchasing, travel and printing could result in "significant dollar savings and increases in effectiveness."

The Board of Governors, the boards of trustees, and the colleges and universities have long sought reforms in these areas -- reforms which can achieve effectiveness with accountability.

- 2 -

GOVERNANCE PACKAGE**Governance:**

The consultants propose a massive restructuring as though they were "starting from scratch and writing on a clean sheet." It is counter-productive to discard an effective structure. The balance of benefits to problems is not favorable. The proposals show minimal, if any, cost savings or improvements in effectiveness but generate major upheaval and controversy. The current structure operates effectively within the constraints imposed by the legislature and executive branch agencies outside higher education. Recommendations for fiscal and operating reforms would enable the existing system to operate more effectively.

The governance package includes a recommendation that the Board of Governors establish and enforce very specific role and mission statements for each constituent unit which meet the education needs of local areas and prevent unnecessary duplication of programs. At the same time, there is a recommendation to remove the Board's authority to approve institutional programs. Authority for the Board to review and approve programs is necessary to enforce mission statements, to prevent duplication and to assure quality.

BGHE Recommendation: That the existing governance structure be retained, including authority for the Board of Governors to review and approve institutional programs.

Higher Education Group: Strong support for existing structure with general, although not unanimous support for Board program approval.

* * *

Consolidation of Community Colleges, Technical Colleges, and UConn Branches:

Although the consultants have included the merger of the community and technical colleges and UConn branches in the Decentralization package, this recommendation seems more appropriately grouped with governance issues. The Board of Governors has long advocated merging the community and technical colleges. That approach continues to have merit. Merging the state's 12 community colleges, five technical colleges and four UConn regional campuses into six comprehensive community colleges moves too far too fast.

BGHE Recommendation: That the community and technical colleges be merged under the terms and conditions recommended by the Board of Governors. The Board sees merit in the goal of a comprehensive two-year system for Connecticut and proposes that future consideration be given to achieving that goal.

Higher Education Group: The community and technical college board has not yet formulated its position.

* * *

- 3 -

DECENTRALIZATION PACKAGE

The decentralization package, with some modification, could lead to improved fiscal and operational management.

Operating Budget Format and Process and Administrative Decentralization:

Reforms of the operating budget format and process, including fund management, call for use of standard financial accounting and budget procedures. They also recommend that funds for higher education be appropriated to the Board of Governors for allocation to the constituent units.

They provide flexibility for the units and institutions to execute approved budgets within policy parameters. Specifically, they would be authorized to fill positions, make needed purchases, authorize needed travel and operate effectively, yet with accountability.

BGHE Recommendation: That reforms in budget format and processes be supported, including appropriations to the Board of Governors for allocation.

Higher Education Group: Strong support for budgetary reforms without endorsement of budget allocation authority for BGHE.

* * *

Facility Planning, and Budgeting:

Recommended strengthening of the existing standards and systems of inventory control and campus master planning linked to the Board of Governors' inventory system.

Recommendation: Endorse.

* * *

Streamlining Management Systems:

The consultants recommend the implementation of work management systems to streamline campus procedures. This is strong conceptually, but projects a savings which is difficult to assess and avoids the realities of already reduced budget bases.

The major thrust of the consultants to reduce administrative staff at central offices and assume broadly-conceived savings through implementation of various recommendations lacks reasonable data and an understanding of impact of existing (and continuing) budget reductions.

- 4 -

STAND-ALONE RECOMMENDATIONS

Many of the independent recommendations have merit. Others would place an undue burden on students, or limit access, equity and diversity.

Economic Growth:

Clearer delineation of Board responsibilities in planning for economic growth, and goal setting.

Recommendation: That the Board continue its planning functions and update its strategic plan biannually.

* * *

Administrative Processes for Facilities Construction:

The consultant recommendations could accelerate the facility planning and construction process with authority for boards of trustees to hire architects and manage projects. Planning and completion of needed facilities could be enhanced through establishing a distinct pool of bond funds for higher education and providing lump-sum authorization to the Board of Governors for identified projects which have legislative approval.

Recommendation: That recommendations regarding facility planning and construction be supported, with modification to specify that Board of Governors' legislative requests for capital projects include specific projects for which funds are requested.

Higher Education Group: Strong support for facility reforms without endorsement of allocation authority for BGHE.

* * *

Independent Sector:

More specific planning and closer coordination with the independent sector.

Recommendation: Endorse.

* * *

Higher Education Automation Center:

The recommendation to create a single state higher education automation center appears to add costs and an additional layer of bureaucracy, but without a clear cut set of benefits. The development of uniform administrative systems across higher education is a positive objective. There are, however, serious unanswered concerns regarding costs, compatibility, staffing, and product control.

- 5 -

Recommendation: That the Board of Governors, working with the constituent units, develop a broadened and standardized information system, identifying and defining common data elements. Such a system would broaden the existing system to include budgetary, facilities, student, programmatic, and personnel information. The goal would be to increase sharing of software, increase capacity and efficiency and work toward compatibility across the system.

* * *

Private Fund Raising:

Support for private fund raising, with Board responsibility for policies and guidelines, for institutions to conduct appropriate audits, and for legislative authorization for colleges to use state funds for a limited period to build capacity.

Recommendation: Endorse.

* * *

Summer School:

Requiring summer school attendance restricts student flexibility and could increase rather than decrease institutional costs.

Recommendation: That there be no requirement for summer school attendance.

* * *

Remedial Education:

Limiting remedial instruction to two-year institutions could restrict student access, equity and opportunity.

Recommendation: That remedial instruction not be limited to two-year colleges.

* * *

Tuition:

Tuition increases without concurrent increases in aid could make education less affordable, especially for middle-income groups.

Recommendation: That the Board of Governors revise its tuition policy to provide for appropriate tuition increases, with such increases to be accompanied by increases in student financial aid to ensure access for the needy.

- 6 -

Higher Education Group: There was strong commitment to maintaining tuition at levels to assure student access. There also was consensus that the existing system for setting tuition rates is soundly based on maintaining affordability, predictability, and equity, even as rates have increased. The concept of shared cost between students and state is sound.

* * *

Transfer Agreements:

Good transfer agreements are needed and will benefit students. Under Board of Governors' policy, work is underway to achieve this goal. Efforts should continue, under Board policy, with statutory mandates, to be requested only if present efforts lag.

Recommendation: That the Board of Governors continue implementation of its plan and timelines for transfer and articulation among Connecticut colleges and universities, closely monitoring progress and calling for statutory mandates if the established goals are not reached by 1993.

* * *

Financial Aid Information:

The consultants recommend that the BGHE establish and maintain a broader base of information regarding financial aid needs of students and assess effectiveness of financial aid.

Recommendation: Endorse.

* * *

Changes in Regional Institutions:

The Board's study of needs in Fairfield County did not identify need for a new institution in that area.

Recommendation: That no new institution is needed in Fairfield County.

* * *

The Board has recommended combining the community and technical colleges in the Higher Education Center in Waterbury, while retaining the Hillside Avenue location of the UConn branch.

Recommendation: Confirm Board of Governors' recommendation.

* * *

Finally, recommendations concerning labor relations must be considered statewide and should not be applied to higher education alone.

12/3/90

CONCERNS REGARDING PROJECTED SAVINGS WITHIN
THOMAS COMMISSION CONSULTANTS' RECOMMENDATIONS

A number of recommendations in the consultants' final report project savings that are misleading. In particular, those recommendations tied to broadly-conceived percentage reductions and those linked to cost avoidance suggest savings that may not exist.

It appears that the objective of identifying significant savings has led to outcomes that could be misleading to the Commission, legislature, Governor, and other interested parties. A major source of concern with the consultants' recommendations is the manner in which savings' projections were emphasized. The summary of net and cumulative savings at the conclusion of the document does not make clear what types of savings were projected. It could have been assumed that they are reductions to existing budgets. They are not. In analyzing the five-year cumulative savings, the following was revealed:

<u>Types of Savings</u>	<u>Cumulative Savings</u>	<u>Percent</u>
Revenue Enhancements		
Tuition Increases	\$ 34.4	21.2%
Other	53.1	
Expenditure Reductions.	139.8	33.7%
<u>Cost Avoidance</u>		
Capital	76.4	18.4%
Operating	99.9	24.1%
Revenue - Sale of Facility	10.8	2.6%
Total	<u>\$414.4</u>	<u>100.0%</u>

The recommendations are built on avoiding anticipated future costs (42.5 percent), raising revenues (23.8 percent), and expenditure reductions (33.7 percent). There are very definite differences between reducing an existing budget and not planning for an increase, i.e., avoiding a cost, in the future.

Within the methodology proposed by the consultants, higher education will have realized expenditure reductions totalling \$15.5 million in FY 1991 (which is \$12.5 million more than recommended). Cumulatively, \$77.5 million will have been saved (or avoided) by FY 1995. Similarly, it can be anticipated that tuition increases will generate an average of 5 - 10 percent increased revenue over the five-year period under review, which approximates \$30 million. Finally, under the possible direction of limiting capital construction reflected in the Governor's FY 1992 capital budget, the

consultants' cost avoidance targets should be easily reached. The degree to which additional reductions and revenue enhancements can be attained is questionable and should be avoided until impacts can be assessed.

Unfortunately, the consultants' recommendations offer "projections" which are limited in their practical applications and, if carried to their logical conclusion, do not offer meaningful savings targets. The following discussion clarifies the general weaknesses of the savings methodologies and further raises specific concerns regarding many of the recommendations.

Methodologies for Projecting Savings

The consultants relied heavily on two methods to calculate savings: 1) projecting how future costs, not dollars presently budgeted, can be avoided; and 2) applying general percentages against a systemwide expenditure of programs. The first method of cost avoidance assumes continuing growth in both the general fund and the capital budget. The reality in higher education since FY 1989 has been level general fund budgets in total appropriation and a reduction in service, but certainly not "real" program growth. Capital funding for facility expansion, while increasing in authorizations over the last two fiscal years, is not projected to continue to grow and, in fact, the Governor's recommendation for FY 1992 is less than \$1 million. The degree to which the present authorizations are translated into capital allocations will be at a rate subject to debt service requirements, state priorities, and a constricting economy. The concept of cost avoidance must be built on plans that reflect growth. If there are restricted resources to build facilities or expand operating programs, then cost avoidance is meaningless.

A second method of projecting savings involves the application of a gross percentage reduction to a general function (i.e., instruction, academic support, libraries, etc.) for some portion or the entire system of higher education. The outcome assumes that, based on the consultants' experience in other states, there will be an increase in efficiency and reduced cost through implementation of various recommendations. The following section focuses on those recommendations that project savings based on the application of a single percentage to a function's base of expenditures. Savings and/or expenditure reductions built on other assumptions are discussed in the final section.

Assumed Savings Built on Percent Reductions

Institutional Consolidation (#4) - The consolidation of the Community-Technical Colleges assumes a 5 percent reduction (\$0.47 million) in physical plant expenditures and the reduction of instruction, institutional support, and student services expenditures (\$12.1 million) based on the average cost per FTE of the two largest community colleges. Without a more specific configuration of the new system and the probable use of existing facilities, i.e., satellite campuses, rental of space, sale, etc., it is impossible to assume such a savings. Any reductions to the physical plant budget run counter to the funding of formulas, which reflect

significant underfunding (29.3 percent below full funding in FY 1991). The probability of a prolonged phase-in period to shift services would further preclude the suggested savings through FY 1995.

Budgeting Process (#8) - Recommended improvements in the budgeting process are strong conceptually, but weak in regard to budget impact. Revision of the process is projected to create a 2 percent (\$7 million) savings in the units' instruction and academic support budgets. There is no hard data which would justify a 2 percent savings in the unit budgets. "Experiences" in other states do not offer substantial enough logic -- particularly when considering that base budgets have been subject to decline over the last three years.

Facility Planning and Budgeting (#10) - The recommendation assumes savings stemming from the application of more restrictive space utilization standards. The higher education system utilizes the Council for Education Facilities Planning standards, guidelines which are nationally recognized and applied throughout the country. The standards provide a range of square footage by type of use and can be applied anywhere within the range based on the qualitative and quantitative needs dictated by campus master plan. Limiting the ranges utilized to artificially control cost and quality would serve notice that any accepted standards or measures, whether they be for facilities, academic assessment, personnel evaluation, etc., would be subject to negotiation based solely on resources.

Administrative Cost Savings (#12) - Implementation of "work management systems" is projected to save nearly \$5.0 million annually by FY 1995. Again, the assumption was made that 3 percent for Community-Technical Colleges and 5 percent for universities could be saved in the total of the institutional support and 50 percent of the physical plant budgets. There has been no evidence presented to suggest that such savings can realistically be expected in a declining economy such as Connecticut. It is important to note that all units are substantially below formula funding levels in the physical plant program, and as a consequence, any savings realized through such systems should be reallocated toward increased funding of the formula.

It would be essential that any changes in work management systems being considered in higher education be coordinated with similar processes of agencies placing controls on higher education. There can be benefits realized if there are less restrictive paper flow requirements mandated by external agencies.

Facilities Construction (#13) - A savings may be realized if the process for architect selection can be shortened and if there is more timely movement of projects through the design and construction phases. The savings will predominately be capital cost avoidance and not general fund staff or operating reductions. The concept is strong, but does not produce tangible savings.

Assumptions in Other Recommendations

Savings or revenue increases assumed through enhanced fund raising (#17), asset management (#18), and privatization of service (#19) are plausible, but create expectations that need further research. The assignment of specific targeted savings should be made after implementation of the recommended changes when there is reliable experience in Connecticut indicating that additional reductions are feasible.

Other recommendations of concern include:

Governance Structure (#2) - The development of a system of higher education without recognition of existing conditions and constraints and without more specific form avoids the realities of cost related to facilities expansion and personnel realignments. The recommendations largely ignore the probability of added costs to the point that funding projections serve no positive or useful purpose.

The recommended staff reductions in the central offices appear to miscalculate the additional responsibilities placed on the respective units.

Independent Sector (#3) - The increased cost borne by the student that is "shifted" from the public sector to the independent sector is not mentioned. The state will not save \$3,500 per student (\$7.0 million) as suggested. There will not be a corresponding equivalent reduction in cost to provide instruction and student support services where students have shifted from the public to the independent sector. The faculty member teaching a course to 23 students will continue to teach the class even if there are only 20 students after a "shift". The recommendation also provides that there be an increase in student financial aid to the independent sector but no added cost is projected. Again, the savings will be limited and extremely difficult to project until changes have been implemented, and there are additional costs.

Naugatuck Center (#5) - If the UConn-Waterbury facility can be sold, the \$10.8 million sale price appears high based on the present economic conditions.

Automation of Administrative Process (#6) - The recommendation appears to create a new bureaucracy for coordination and with increased costs necessary to hardware and software compatibility. The concept of developing a uniform management information system to include budget, student, personnel, facilities, and other management data is important and present activities aimed at accomplishing that goal should be accelerated.

Tuition Revenue (#9) - The migration of community college tuition rates to the technical colleges level is extreme, nearly 40 percent, and raises concern for limiting access. The report is also factually inaccurate in including statutory waivers in the total that can be dealt with in a discretionary manner. Perhaps most faulty is the lack of any linkage of increased rates to the recommended policy of 30 percent of education and general expenditures.

Labor Relations (#14) - The generation of projected savings assumes major alterations in the existing statutory and administrative management structure of the state. The applicability of any savings should only be considered in the context of similar discussions and actions taken on a statewide basis.

Overhead Costs (#15) - The recommended savings again are grossly calculated and compared to "other states". Each unit should review its present policies and complete a cost study to determine actual charges being made. Following such studies, the units and Board of Governors can develop a single direction in addressing a uniform policy for all impacted units in Connecticut.

Summer Enrollment (#16) - The savings are almost entirely based on capital cost avoidance related to not building facilities. The assumption of \$13.2 million savings annually for construction of instructional facilities does not reflect current plans in the five-year facilities plan. The realignment of classes distributed more evenly across fall, spring, and summer creates increased energy and facilities maintenance (custodial) costs. There are also potential difficulties in achieving personnel realignments (i.e., faculty and staff) linked to labor agreements. Finally, there are few national "models" which are operating in the efficient manner suggested by the consultants.

Transfer Credits (#21) - The recommendation assumes that all students will complete the exact number of credits needed to transfer, and that the cost of the 15 credits presently completed in excess of requirements will be eliminated. While the objective is focused on saving dollars, it avoids the reality that, frequently, coursework must be taken beyond the minimum transfer requirements. Students changing their career goals and/or taking courses for reasons beyond differences in institutional transfer agreements will enroll for some level of credits in excess of the minimum transfer requirements.

Credit for Prior Learning (#22) - Assumes percentages of 3 percent (Community Colleges) to 10 percent (UConn), of first-term freshman-level credits that should be awarded for college-level prior learning. The percentages are "based on experience in other institutions" and not reflective of specific circumstances in Connecticut. The savings estimates are not reliable.

Remedial Education (#24) - The method of projecting the savings makes broad assumptions of: the number of students, cost per student, and number of courses per student which overestimate potential savings. There also will be a cost to offer additional remedial coursework which has not been considered.

Loss of Federal Aid (#26) - The increased federal support to the units is built on the assumption that tuition rates are too low; that is, if rates were raised, there would be a larger population of needy students who would be eligible for federal aid. The additional federal funds are limited incentive when considering higher tuition rates for all students; the trade-off is inequitable.

Many Connecticut students are lower-middle income students who might be excluded from federal aid because of present "need" definitions.

Summary

The reliability of numerous projected savings is questioned with the intent to emphasize that their acceptance will seriously damage existing programs and, in fact, efficiency would be reduced. Further appropriations should be built on conditions and characteristics of the State of Connecticut and its higher education system and not gross assumptions that are or may be irrelevant to the delivery of services to students in its system.

**SPECIFIC RECOMMENDATIONS OF MGT TO THE THOMAS COMMISSION
WHICH ERODE THE AUTHORITY OF THE BOARDS OF TRUSTEES**

1. BOG Allocate operating and capital budget appropriations to the constituent unit boards. (pg. 28)

CURRENT SITUATION: Allocation made by the Legislature directly to the Board of Trustees.

2. BOG Allocate appropriations to constituent unit boards and approve operating budgets (Expenditure Plans.) (pg. 29)

CURRENT SITUATION: Campuses send expenditure plans to BOT; BOT submits plans directly to OPM.

3. A single state higher education automation service center should be established and be governed by a Board of Directors consisting of representatives from DHE and the institutions. (pg. 40)

PROBLEM: Eliminated the BOT and Central Office staff involvement, but requires staffing for the center to come from current staffs of each of the units and to transfer hardware and software from current systems to the center. The center will not be involved in actual data processing; each institution and central office are to maintain its own data processing staff - no cost indicated.

4. Purchasing of computer equipment and software for the center should be delegated to the Board of Governors for further delegation to the Boards of Trustees. (pg. 41)

CURRENT SITUATION: BOT have jurisdiction over their own computer systems and hardware.

5. General Assembly appropriates lump sum budget to BOG in the form of maximum authorized positions, maximum annual salary rate, lump sum amounts for salaries, expenses and equipment purchases. (pg. 48)

BOG allocates lump sums to constituent unit boards. (pg. 48)

CURRENT SITUATION: General Assembly appropriates lump sums directly to BOT.

6. Constituent unit boards approve institution operating budgets (Expenditure Plans) and submit consolidated budget to the BOG for final approval. (pg. 49)

CURRENT SITUATION: Institutions submit Expenditure Plans to central office of BOT for consolidation and submission directly to OPM.

7. Institutions should be given full authority to choose the budget categories for any midyear budget reductions required by a shortfall in state revenues, subject to approval by the BOG. (pg. 49)

CURRENT SITUATION: The institutions work within OPM guidelines for budget cuts subject to the approval of the BOT.

8. Institutions should be prohibited from creating or abolishing education and general positions and rate without Board of Governors' approval. (pg. 50)

CURRENT SITUATION: BOT is responsible for authorizing or abolishing new positions within legislative authority and establishing pay rates for professional positions.

9. Capital funds should be appropriated to the BOG in a lump sum. The BOG should then allocate the funds to projects based on the level and priority of unmet need as shown by the planning standards adopted by the BOG. (pg. 56)

CURRENT SITUATION: Capital funds are appropriated to the BOT for specific projects designated by the General Assembly and in accordance with the BOT approved five year plan.

10. State Statutes, etc. be altered to delegate to the BOG for further delegation to the institutional boards and DHE full authority to fill all positions within budget constraints. (pg. 58)

CURRENT SITUATION: The BOT has full authority to fill professional positions but not classified positions.

11. State Statutes, etc. be altered to delegate to the BOG, for further delegation to the institutional boards, authority to approve all travel subject to budget constraints. (pg. 59)

CURRENT SITUATION: The BOT has authority to extend travel privileges to managerial professional staff granting the same privileges authorized under current collective bargaining contracts. The BOT has delegated this authority for implementation to the Presidents.

12. The BOG should adopt system-wide guidelines for public institutions the payment of overhead costs by self-supporting entities (e.g., auxiliary, extension, research, foundations, and intercollegiate activities) as part of its accounting procedures manual. (pg. 69)

Each public institution should adopt an overhead policy consistent with the BOG Guidelines. (pg. 70)

PROBLEM: BOT involvement has been excluded.

13. Each public college and university should establish a goal of summer school F.T.E. enrollments equal to 45 percent of fall enrollments. (pg. 71)

The BOG should adopt policies and programs which will significantly increase summer term enrollments, including requirement that all students attend at least one summer term, early admission of first-time-in college students, tuition and fee discounts for summer term, special programs for adults who do not work during summer term (e.g. teachers). (pg. 72)

PROBLEM: BOT involvement has been excluded.

14. The BOG should establish specific policies and guidelines for public institutions private fund-raising, uses of funds, and audits of the programs. (pg. 74)

The Legislature should authorize the Board of Governors to utilize a limited amount of Education and General revenues for a period of five years to fund positions and support services for the purpose of raising private funds. (pg. 74)

The Board of Governors should require that each public institution establish a strong private fund-raising program. (pg. 74)

Each public institution should annually report to the BOG success in raising private funds and use of private funds. (pg. 74)

PROBLEM: BOT involvement has been excluded.

15. Each public institution should annually submit to the Board of Governors a report on asset management and utilization.

PROBLEM: BOT involvement has been excluded.

16. Each public institution should submit a report to the Board of Governors detailing how it will work with the Board of State Academic Awards to provide and promote opportunities for credit for prior learning.

PROBLEM: BOT involvement has been excluded.