Sustaining Excellence Project
Santa Clara University
June 12, 2017
Executive Summary

Introduction

This Executive Summary from the co-chairs of the "Sustaining Excellence" project, endorsed by the Steering Committee, summarizes the project and its key recommendations to Fr. Michael Engh, President of Santa Clara University. It is divided into five parts.

Part I: Context briefly summarizes the challenges facing higher education in the United States with an emphasis on special factors for Santa Clara University as a Catholic and Jesuit institution. It also sets forth President Engh's charge to the entire community.

Part II: Process describes the process over the last six months and the contributions of the Working Groups, Steering Committee and community in this project.

Part III: Recommendations reflects the Steering Committee's most significant recommendations, broken into:

> *30 Key Ideas* and
> *8 "Game-Changing" Themes*

Part IV: Additional Notes acknowledges some important topics that were not a primary focus of the Steering Committee, given the work of other Task Forces and ongoing processes.

Part V includes some recommendations for implementation, breaking the types of activities necessary into various categories. It also contains a recommendation for spurring a culture of innovation and efficiency going forward.

I. Context

All universities must be strategic and intentional to thrive in a rapidly changing world. Santa Clara University ("SCU" or "University") is no different. As a successful and prestigious institution, we embrace our Jesuit traditions and celebrate our achievements. Yet we cannot be complacent in these challenging and quickly evolving times. Drawing on the Jesuit tradition of innovation and the Silicon Valley ethos, we must look toward the future, seeking to build a better SCU for tomorrow.

The many challenges facing higher education in the United States provide context for the Sustaining Excellence Project. The impact of technology, the rising demands for a wide variety of diverse student services, new federal and state regulations, changing student demographics, rapidly escalating housing and cost of living concerns, the enhanced appreciation for diversity and inclusion, and so many other matters tremendously impact our way of proceeding in offering excellent educational value.

Additionally, as a Catholic and Jesuit university we have a unique mission to provide added value to students and the broader community, valuing the "whole person" of each student and helping them become men and women for others who will contribute to a more humane, just, and sustainable world. Who we are really matters. We value small classes and personal attention, access to higher education for those who cannot afford it, and we seek to provide curricular and extracurricular services and programs fostering our mission.

President Engh initiated the Sustaining Excellence Project as a bold and forward-thinking process, distinct from our short-term fiscal challenges. He invited the entire campus community to provide input on how we can do what we do better. He encouraged "blue sky thinking" and said that no topics were off limits. In a short time frame, the project sought to review what we do with an eye toward ***enhancing revenue-generating opportunities, improving our efficacy and efficiency, and securing cost savings***. The project seeks to look creatively to the future, moving Santa Clara University in a direction of enhanced excellence. With a clear understanding that change can be stressful and threatening, the Working Groups and Steering Committee worked diligently to maintain focus on the best interests of the broader University.

II. Process

President Engh initiated a solicitation process to determine who would be best fit to serve on the seven working groups representing a cross-section of expertise from across campus (Facilities Utilization, Management, Operations, Campus Services and Procurement, Non-Academic Administrative Structure, Academic Administrative Structure and Support, Non-Degree Academic Programming, Benefits, and Institutional Advancement and Community Engagement) as well as an overarching Steering Committee. Fr. Engh solicited nominations from the campus at large and reviewed those nominations with both Planning Action Council ("PAC") and the University Coordinating Committee ("UCC", Tracey Kahan, chair). President Engh also asked Lisa Kloppenberg (Dean, Law School) and Thomas Plante (Professor, Psychology) to act as co-chairs of the overall project. Steering committee member Michael Nuttall (Associate Director, Ignatian Center) graciously volunteered to

serve as the communications director for the project. Additionally, several administrative staff members were invited to act as a resource to all of the committees for possible data gathering assistance.

The project was launched at a December 2016 meeting of all the Working Groups, the Steering Committee, and the resource team members along with President Engh, the project co-chairs, and consultants from Teibel Education Consulting (Gail Gregory and Howard Teibel). The Working Groups met weekly from December 2016 until April 2017 to discuss their charge of developing a thoughtful and comprehensive list of ideas for revenue-generation, cost savings, and improved efficiency within their particular area of focus. Working Groups interviewed relevant parties, requested information from the assembled resource committee, looked at best practices at other universities and reviewed suggestions relevant to their working groups that came from the campus community.

The entire campus community (i.e., faculty, staff, and students) was invited via email blasts on numerous occasions to participate in the idea-generating phase of the project by reviewing our project web page and submitting ideas (anonymously if desired) via our web site portal. The project co-chairs also held a variety of face-to-face meetings with the Planning Action Council and other campus groups to solicit input and answer questions.

During the idea-generation phase (December 2016 through April 2017), over 280 ideas were generated, some from community members and some directly by Working Groups. Ideas from the community were directed to the appropriate Working Groups. The community was invited to review the complete list of submitted ideas and offer feedback and reflections during the latter part of April and into early May 2017. During this round of feedback, people submitted additional ideas, bringing the total number of ideas to 310.

At the end of April 2017 the Working Groups presented their findings to the Steering Committee, with each highlighting the top three ideas from their careful deliberations. Steering Committee members had ample opportunity to discuss the ideas with Working Group representatives to ensure a clear understanding of their suggestions and were impressed with the thoughtfulness of the work and the enthusiasm for pursuing change. Steering Committee members then independently reviewed the initial 280-plus ideas and rated each one on a 5-point scale (1 = no support, 5 = strong support) on several relevant dimensions (i.e., consistent with mission and values, financial impact, improved efficiencies, and whether we should advance the idea). Community ideas submitted during the final round of feedback were not scored but were considered during the deliberation process. The consultants tabulated the individual ratings and the Steering Committee discussed many ideas in its all-day deliberation conference with the consultants in late May 2017.

III. Recommendations

After careful deliberation, the Steering Committee identified eight "game-changing" themes to pursue. It then reviewed the 310 ideas and pared those down to 30 key ideas across those themes and prioritized them on a scale of 1 to 3 (with 1 being the highest priority) as illustrated in the table below. The priority reflects the Steering Committee's level of enthusiasm for an idea, based on its consistency with mission and values, potential for significant financial impact and potential for improved efficiencies.

30 Key Ideas

Theme	Idea #	Idea	*Priority*
Summer	1.	Review Summer orientation	*1*
	2.	Examine and expand use of facilities over Summer for existing and new academic programs	*1*
	3.	Examine and expand use of facilities over the Summer for conferences and other external uses	*1*
Innovative Programming and Services	4.	Incentivize all programs (Review revenue shares, flexibility within financial structures, resource models)	*1*
	5.	Empower existing non-degree units	*2*
	6.	Explore consolidation of non-degree academic programming	*2*
External Partnerships and Relations	7.	Aggressively seek appropriate Corporate partnerships	*1*
	8.	Enhance City of Santa Clara/SCU partnership	*1*
	9.	Utilization of campus for revenue generation	*1*
	10.	Implement Aggressive, Coordinated and Consistent Branding/licensing	*2*

	11.	Review of structure (ex. levy on gifts), coordination, and resource allocation for External Relations - particularly Development function	*2*
Collaboration and Centralization	12.	Coordinate and centralize graduate student services and professional studies student services (back-end processes)	*1*
	13.	Undertake a comprehensive staffing review	*1*
	14.	Change culture, process, and expectations of the purchasing process	*2*
	15.	Coordinate and centralize event planning on campus	*2*
	16.	Use construction audit and contract mgmt processes	*2*
	17.	Evaluate use of technical services (CRM, ERP)	*2*
Academic Efficiencies	18.	Review current norms for teaching loads, University course release offerings, and adjunct usage	*1*
	19.	Explore possibility of increasing enrollments in some targeted classes in pedagogically appropriate ways	*1*
	20.	Develop game plan for deeper integration between JST and SCU (facility, programs, Pastoral Ministries, etc.)	*1*
	21.	In depth review of classroom utilization and investment in robust classroom scheduling tool	*2*
	22.	Review feasibility and impact of moving to semesters	*3*
Outsourcing	23.	Explore support services (carefully reviewed in terms of cost/ benefit and mission, feasibility); HR - some or all; Cowell and CAPS	*3*
Benefits	24.	Review scope and charge of benefits committee to encompass strategic and holistic benefits review	*1*
	25.	Explore diverse models of child care support (KOC reduction/expansion, stipend)	*3*
	26.	Explore feasibility and benefit to move to cafeteria plan for benefits	*3*
	27.	Review current severance packages to ensure in line with norms	*3*
Long term strategy	28.	Faculty retention and recruitment; Retirement incentives; Faculty/staff housing	*1*

	29.	Review the master planning process and relationship to shared governance	*3*
	30.	Review process and structure for next strategic plan (post Integrated Strategic Plan)	*3*

Eight "Game-Changing" Themes

The Steering Committee focused on eight themes with potential to generate considerable revenue or significantly improve efficiencies or reduce costs. Each theme is described below and illustrated with some examples from the list of 30 key ideas. This Summary starts with the revenue-generating themes and moves to efficiencies and important potential savings.

Better Use of Campus Facilities During the Summer

The Steering Committee strongly recommends moving new student Orientation to take advantage of our beautiful, strategically located campus for additional revenue-generating activities, especially during Summer. Moving Orientation to the week before the start of Fall classes for all students would decrease costs for families and be more efficient for them and the University. Orientation was spread across the Summer relatively recently to avoid last-minute attrition, but more options are available now to engage students and connect them to SCU in a digital world. We recognize the need to preserve the successful elements of Orientation (i.e., hospitality, individual attention, a welcoming spirit), but a compression of the time on campus allows some staff members to return to nine or ten-month contracts.

Additionally, the Steering Committee is excited by the wide range of substantive ideas presented during this project for revenue-enhancing conferences, pre-college camps, diversity and inclusion outreach and other educational offerings. A robust Summer program would align SCU better with best practices for many universities across the country. *Rather than focus on particular programmatic ideas, the Committee recommends that SCU move Orientation and establish a process for exploring these exciting opportunities.*

Innovative Programming and Services

SCU should empower existing academic units for revenue generating online, certificate, and other programming as well as explore consolidation of non-degree academic programming into one unit. The Steering Committee views this area as a broad umbrella, encompassing many possibilities (e.g., online, evening/weekend, regular term, Summer term). SCU should incentivize all revenue-generating programs by reviewing carefully the revenue sharing agreements, supporting more flexibility within existing financial structures, and examining

resource models that would maximize joint efforts. We believe that consolidation of these programs would yield a more coordinated approach to revenue-generating offerings during Summer and other times when the campus is relatively empty. Depending on the path selected, this also could help achieve efficiencies and spur innovation.

Enhanced External Partnerships and Relations

SCU must be more aggressive with coordinated, consistent, and strategic branding and collaboration opportunities with our Silicon Valley neighbors. Being situated in the heart of Silicon Valley, SCU possesses an outstanding opportunity to nurture collaborative relationships with our corporate and city neighbors for mutual benefit. For example, Grand Reunion weekend, the graduation picnic, sporting events, Vintage and other SCU programs could benefit from more significant corporate sponsorship. *Additionally, the Steering Committee is enthusiastic about SCU working in close collaboration with the City of Santa Clara as it revitalizes the downtown.* Finally, SCU must enhance coordination of fundraising efforts and support aggressively the development function in order to sustain support for critical initiatives. For example, SCU might consider how it covers overhead and indirect costs for development through a levy on the gifts or other measures.

Collaboration and Centralization of Services

Many SCU campus services are not coordinated or centralized, which causes significant, unnecessary expense and inefficiencies. *We recommend the University examine seriously the potential for consolidation of services and conduct a comprehensive staffing review with the goal of encouraging collaboration and centralization.* For example, the Steering Committee sees potential savings and improved efficiencies from centralization of purchasing, cell phone usage policies, fund development, event planning, and other services (e.g., bottled water, office supplies). *SCU should implement formal construction audit, contract management, and technical services (e.g., CRM, ERP).* Additionally, each of the graduate and professional programs has its own marketing, fund development, application, registration, and enrollment services. *SCU should explore consolidation of these services for the graduate and professional degrees and certificate programs.*

Academic Efficiencies

We strongly recommend several major items in this area for potential savings and efficiency. *The Committee deems a review of expected teaching loads, criteria for course releases, and adjunct faculty usage a top priority. Additionally, SCU should examine the possibility of increasing class size (where pedagogically appropriate). Moreover, we strongly recommend examining the relationship between the Jesuit School of Theology and SCU, with the possibility of moving JST to our main campus for improved integration plus cost savings and efficiencies.* The Committee also sees value in a thoughtful review of classroom

utilization that includes a robust class scheduling tool as well as the possible savings and benefits associated with moving to a semester rather than quarter academic schedule.

Outsourcing of Some Services

The University should determine whether significant cost savings could be realized by outsourcing some highly regulated, complex campus services. It should conduct a careful analysis of the costs and benefits of outsourcing various elements of services (e.g., aspects of human resources, campus safety, on-site day care, Kids on Campus, student health services and other services). The Committee is aware that some services are so essential or closely connected to our campus ethos that SCU may choose not to outsource them. External expertise is likely needed to determine the true potential for savings through outsourcing.

Benefits

SCU should take a comprehensive look at its benefits packages in a strategic and holistic manner*, beyond the scope of what the Benefits Committee and other specific Task Forces have when they have immediate issues or a narrower charge.* SCU could accomplish this by altering the charge of the Benefits Committee, which has done excellent work, or establishing a separate process. The costs of benefits continue to rise and yet benefits are extremely important for recruiting and retaining a highly qualified faculty and staff. The Committee considers the housing subsidies and retirement incentives mentioned in the long-term strategy item below of critical importance. Additionally, the Committee heard that a cafeteria-style plan is not common at universities, but that possibility as well as SCU's generous severance policies should be reexamined. Many community members commented on childcare (how to subsidize, whether to expand or limit Kids on Campus, whether to employ stipends, etc.). The Committee is aware that regular reviews of this benefit are performed and highlight it as an important benefit for the community without advocating a particular approach. Finally, some Committee members were intrigued by suggestions about changing the timing and vesting of certain benefits and considering a cap for highly paid employees.

Long-Term Strategies

SCU should review retirement incentives and offer options to encourage retirements. An aggressive plan could offer significant long-term savings, allowing the University flexibility as it fills resulting open positions. *The Steering Committee urges that SCU examine carefully its approach to housing with an eye toward the long term.* As higher education and our regional area change so rapidly, the high cost of housing poses a significant challenge in recruiting and retaining faculty and high-level staff members. The Committee, aware of

ongoing work on this topic, does not advocate one particular solution from the many ideas presented, but sees the topic as incredibly important for the long-term success of SCU.

Additionally, the Steering Committee hopes that future strategic planning efforts will take advantage of the wide participatory process that the Sustaining Excellence project generated. *We encourage SCU to build a similar participatory process into all of our strategic planning and facilities planning efforts as it begins work on the next Strategic Plan.*

IV. Additional Notes

The Steering Committee realizes that other very significant issues are currently being discussed on campus, and nothing in this Executive Summary should be taken to imply that we think that these issues are less important than the issues within our formal deliberation. For instance, the Committee highlights the importance of present **Diversity & Inclusion** work in light of Presidential Blue Ribbon Commission Report (December 2016). The Steering Committee views this work as a high priority and urges the President to support the ongoing work of the new Task Force on Diversity & Inclusion.

Additionally, the Steering Committee sees significant potential for efficiencies and cost savings over time in some of the many **Sustainability** suggestions offered during this project. Given ongoing expert work in this area, we did not spend significant time on particular items. Instead, the Committee regards this a key value for our campus and encourages the President to ensure that sustainability investments are a critical part of future planning efforts.

The Steering Committee did not spend considerable time on some potentially valuable areas for savings if it was aware of other review processes underway in those specific areas (e.g., review of the Casa program in El Salvador and the Bon Appetit contract).

V. Implementation Notes

The Steering Committee envisions that the actions necessary to implement some of these key ideas will vary. Some are easy to accomplish through an administrative unit charged with overseeing that function (e.g., construction audit and contract management processes). Many others will require further deliberation and consultation in the spirit of shared governance (e.g., suggestions relating to academic efficiencies and innovative programming and services). Still others might require external expertise to examine the savings possible and feasible options (e.g., suggestions in the benefits and outsourcing categories). *We strongly recommend that a spirit of shared governance continue during the implementation process.*

While some changes might be implemented quickly, we anticipate that some major changes resulting from the Sustaining Excellence project might take three to five years to implement, given the extent of cultural change or collaboration they will require. We also hope that President Engh and his Cabinet will review this Executive Summary and project materials carefully. *The Steering Committee recommends that President Engh encourage division heads across the University to review the list of ideas, identify low-hanging fruit and consider ideas – "big" or "small" -- that may be worth pursuing in the spirit of efficiency, effectiveness and revenue generation.*

Moreover, the comprehensive list of ideas contains a wide array of actionable items that will be of great benefit to the University in the long term and we are grateful for the extensive community participation. While not all of these ideas will be implemented through this project, the Steering Committee believes that the project, with its inclusive community engagement, could serve as a catalyst for initiating **a culture of innovative thinking across the campus** community. We envision an SCU community that constantly considers ways to improve efficiency and effectiveness and to regularly generate new ideas and revenue streams. *The Steering Committee strongly recommends that an individual or unit within the University serve as lead for quality ideas from this project that will not yet be initiated and for instituting a system for regular review and improvement of SCU operations.*

Conclusion

The Sustaining Excellence Project offers many lessons. Perhaps the most heartwarming is the level of investment and engagement of faculty, staff, and students. Many passionate stakeholders want to be helpful and to ensure that SCU becomes the very best that it can be. We acknowledge that change is hard and stressful, but we are encouraged that so many people of good will at SCU are ready and willing to roll up their sleeves and get to work. It is critically important to harness the deep love and respect that University stakeholders have for SCU, to keep the best interests of SCU in mind and to never forget our graduates' power to shape the future for the better. We can do this together. We must do this.

<div align="center">

Thomas Plante and Lisa Kloppenberg
Co-Chairs for the Sustaining Excellence Project

</div>

Note: This document was revised on August 21, 2017 in order to add the "Idea #" column to the chart to help provide consistency in the project moving into the future. No other changes to the document submitted by the Co-Chairs have been made.