

# How Systems Accelerate Transformation:

## Strategic Funding<sup>i</sup>

Multi-campus systems can facilitate and expedite transformation in higher education. Leveraging their size, reach, and structure, they can affect change faster than individual institutions. Acting as “governing intermediaries,” these systems are not merely external influencers. They function under one governing board with the power to guide and adjust policies for the entire organization. It's crucial to perceive the system as a unified entity and organizational unit, rather than a collection of semi-independent institutions.



One of the many levers available to systems is Strategic Funding. The system can invest funds in ways that take advantage of economies of scale not available to institutions and in more strategic ways than state legislators or state agencies can do. How this works will vary by system based on their financial structures and on the political culture of the state in which they are located. They can invest in evidence-based, mutually reinforcing initiatives, whereas individual campuses, even when acting as a group, are likely to take more distinctive and less coordinated approaches. Our research documents several strategic funding levers available to systems.

Systems are able to leverage the following strategic funding levers to advance transformation efforts at scale:

- **Resource Allocation Models:** Systems create and guide the ways in which resources flow throughout the system. In addition to creating incentive-based models that support alignment with strategic system priorities, systems can target investments in key initiatives and support structures. Some systems also have the ability to direct campus-level investments to support targeted transformation efforts including rewarding faculty and staff who take the lead in implementing these initiatives (e.g., stipends, course releases). Also important is the system's ability to prevent campus investments in capacity that conflicts with the larger system direction and agenda (e.g., investing in technology that is not interoperable with other system platforms).
- **Capital Financing:** Systems are able to issue debt based on the financial strength of the system balance sheet and most maintain ratings by either Moody's or S&P. This may create funding streams not available to individual campuses. System staff also have experience in assisting their campuses in complex acquisitions, public-private partnerships, energy performance contracts, and traditional public finance tools like bond issues. Carrying tax-exempt bonds at the system level can also allow for more flexibility regarding using space on campuses for entrepreneurial activities.
- **Shared Technology:** Investments in shared technological platforms that serve all or several campuses in a system enable campuses with the ability to provide shared academic programming, facilitate credit mobility, or improve financial sustainability. Examples include CSU building a shared admissions platform, SUNY supporting a shared learning management system, and the University of Tennessee system serving as the backbone for a statewide ERP for both UT and TBR systems.

- **Shared Support Services**: Systems have been working to leverage strategic investment in other types of shared services. The Louisiana State University system invested in system-level student success coaches, who support returning adults to facilitate their reentry to college, regardless of their campus affiliation. CUNY administers the ASAP program from the system, raising funds and directing allocations, to support students across the system. The University of Maine system has led the development of shared academic programming across campuses and now has a single accreditation for the entire system.
- **Professional Development**: Systems are leaning into professional development to directly support faculty and staff in implementing student-success transformation efforts. These opportunities can be more economical and consistent than doing it campus by campus. They also facilitated communities of practice across systems. SUNY's SAIL Institute provides wide-ranging programming for faculty and staff. CSU developed the Certificate Program in Student Success Analytics to support its Graduation 2025 Initiative and has now opened it to campuses across the country.
- **Supporting Faculty and Staff Time**: Systems can work to structure employee assignments to support transformation initiatives, through incentive structures and freeing up time. Minnesota State even went so far as to work with the faculty's collective bargaining unit to secure direct support for faculty to support the system's Equity 2030 initiative.

The full benefits of a system's ability to leverage strategic financing are enhanced by a set of mutually reinforcing levers also available to systems. **These include creating a shared vision for the system, convening internal stakeholders, developing common implementation guides for evidence-based practices, hiring campus heads who are committed to the vision, developing systemwide personnel policies that reflect the change agenda in promotion and tenure policies, aligning accountability structures, and implementing backbone support.** Also important is the system's ability to ensure persistent consistency—to keep the focus on transformation over the period of time necessary to bring it to fruition.

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