Angus Maciver, Legislative Auditor
Deborah F. Butler, Legal Counsel

Deputy Legislative Auditors:
Cindy Jorgenson
William Soller

MEMORANDUM

TO:	Legislative Audit Committee Members
FROM:	Alyssa Sorenson, Senior Management & Program Analyst
CC:	<u>Office of the Commissioner of Higher Education</u> Clayton Christian, Commissioner of Higher Education Tyler Trevor, Deputy Commissioner, Budget & Planning Ali Bovingdon, Chief Legal Counsel Kevin McRae, Deputy Commissioner, Human Resources Dr. Brock Tessman, Deputy Commissioner, Academic Research & Student Affairs
DATE:	May 2021
RE:	Performance Audit Follow-Up (21SP-14): *Montana University System Coordination of Student Enrollment and Administrative Services* (orig. 18P-01)
ATTACHMENTS:	Original Performance Audit Summary

Introduction

The *Montana University System Coordination of Student Enrollment and Administrative Services* (18P-01) report was issued to the Legislative Audit Committee in June 2019. The audit included four recommendations to the Office of the Commissioner of Higher Education (OCHE). We conducted follow up work to assess implementation of the report recommendations. This memorandum summarizes the results of our follow-up work.

Overview

Our audit of coordination of student enrollment and administrative services recommended OCHE improve the student transfer process, maintain common course numbering, further develop their system-wide shared services initiative, and develop a university system Information Technology (IT) governance framework. Over the past two years, OCHE has made significant progress addressing the first two recommendations, partially implemented the third recommendation, and not implemented the fourth recommendation. OCHE has successfully worked with the campuses to launch a single online application portal which could incorporate and digitize student transfer processes in the future. They also improved their common course numbering maintenance and enforcement by developing a compliance report, coordinating ten faculty councils, developing statewide transfer pathways, analyzing repeated courses for transfer students, and training campus staff on system transfer policies and tools. However, there is limited progress on or interest in developing a more robust shared services effort or developing formal IT governance framework for the system. Additionally, the campuses that make up the University of Montana (UM) affiliation are still reporting to the Commissioner of Higher Education rather than the UM president. This situation will continue to hamper the ability of the UM affiliation to coordinate and centralize services and manage IT governance.

Background

OCHE is the central administrative unit under the Commissioner of Higher Education and the Board of Regents (BOR). BOR is the constitutionally created governing board charged with directing the Montana University System (MUS). The MUS currently serves more than 38,000 students and employs over 8,000 staff. The MUS consists of two university affiliations with 13 stand-alone and embedded campuses, as well as a handful of independent community colleges. Each university affiliation is led by the president of the affiliation's flagship university (4-year research university). OCHE was appropriated approximately $315 million in general fund, federal and state special revenue funds, and proprietary funds for their operations and allocation to campuses in fiscal year 2018. OCHE has a staff of approximately 57 full-time equivalent positions to coordinate the MUS and serve the BOR.

Audit Follow-up Results

The following sections summarize the progress toward implementation of the report recommendations. Follow-up work included interviewing staff and management at OCHE and on campuses across the state. To review the implementation of the student services-related recommendations, we also examined documentation of work, including the Request for Proposals (RFP) and contract for the central application portal, campus website presentation of the online portal, compliance reports, faculty council meeting minutes, draft pathways and administrative guidelines, and past trainings. For the last two recommendations relating to shared administrative services, we reviewed documentation of shared services task force meetings, BOR meeting notes, the Shared Services Priority List, the COVID-19 Shared Services Response, and list of Campus/System IT priorities presented to the May 2020 BOR meeting.

RECOMMENDATION #1

We recommend the Office of the Commissioner of Higher Education develop an effective and standardized online process for the transfer of students between Montana University campuses, including:
   A. **A comprehensive list of documents to be included in the single student admissions file, including a most recent end of term transcript,**
   B. **Indication of core completion on the transmittal form, and**
   C. **Consistent system-wide communication of the transmittal option.**

Implementation Status – *Being Implemented*

As part of our original audit work, we found inconsistencies and inefficiencies in the transfer process used to move students and their credits between different campuses within the MUS. While students could use a more affordable and easier process to transfer, called the transmittal process, campuses were inconsistently communicating and administering this process. Campuses were not all sending or communicating the information needed for the transfer in the transmittal packet, increasing the workload of the recipient campuses and the students. Rather than make small changes to the current transfer process to address our recommendation, OCHE elected to develop a single application portal, with the intent of moving the transfer/transmittal process into this platform over time. We interviewed OCHE and campus student enrollment staff about the implementation of this application and other efforts to improve the transmittal system. Since the audit, OCHE sent out an RFP and contracted with a vendor to develop the single application portal. As part of follow-up work, we reviewed this RFP and contract. The vendor is required in the RFP to incorporate the transmittal/transfer process into the second phase of implementation of the application portal, scheduled for completion in 2022. Staff report that this will move the transmittal process to fully online, help direct students towards the transmittal rather than reapplying, standardize the fields and document requirements, and allow for OCHE to view data regarding transmittal requests and response. Individual subpoints of the recommendation are addressed below.

A. Due to the time requirements to set up the single application portal, OCHE has not yet formally clarified documents required for the transmittal file, though there have been discussions between OCHE and relevant campus staff about how to improve completion. Campus staff report there remain differing expectations regarding the content of student packets. OCHE and campus staff indicated the single application portal could be designed to help improve packet completion by requiring the inclusion of documents from a comprehensive list.

B. While core completion is not yet integrated as part of an online transmittal process, staff have been working with campuses on several levels to try and improve the use of core completion indication in the transfer process. OCHE staff indicate it is expected that core curriculum be checked as part of the transmittal process, but they have not emphasized improving rates of compliance with campuses since they plan to move to the online portal. The online portal can be designed to require core completion be considered as part of the process. They also report they are encouraging the development and use of General Education Certificate Credentials.

C. Consistent and state-wide communication of the transmittal option for students has been improved but not completed. Six of the eight stand-alone two- and four-year campuses within the UM and MSU affiliations included description of and/or direct links to the transmittal form for students under their transfer page. One campus still has no information about the transmittal available on their website and another has the form but no clear instruction or description of the form or process on the application or transfer sections of their webpage. The single application portal is prominently highlighted on the MUS website, but is similarly inconsistently displayed on individual campus websites.

RECOMMENDATION #2

We recommend the Office of the Commissioner of Higher Education consistently maintain and enforce common course numbering, by:
  A. Consistently conducting compliance reviews of campus courses to ensure they are updated in the common course numbering system,
  B. Periodically reassembling faculty learning outcome councils by discipline to review courses,
  C. Conducting and documenting analysis to identify potential problem areas in transferability of coursework and common course numbering, and
  D. Developing ongoing training for campus registrars and common course numbering liaisons.

Implementation Status – *Implemented*

We found during our original audit work that the common course numbering (CCN) system was not being consistently maintained or enforced by OCHE and campus staff. This caused many courses to not be updated in the system, threatening its efficacy in providing transparent transfer experiences between MUS campuses. To assess the extent OCHE has improved the maintenance and enforcement of CCN, we interviewed OCHE staff and campus registrars and reviewed the appropriate documentation for each portion of the recommendation.

A. OCHE has consistently completed CCN audits to identify courses that are not in compliance with CCN. As part of follow up work, we reviewed the most recent CCN audit completed in October 2020. This audit showed the system is actively monitoring and maintaining compliance across the system. When courses are not in compliance, the CCN Administrator works with CCN liaisons across the system to incorporate them into the CCN system.

B. OCHE assembled ten total Faculty Learning Outcome Councils (FLOCs) to review courses by discipline over Spring 2019 and Fall 2019. FLOCs are groups of faculty representatives who review all courses in a specific academic field to assess for equivalency and uniqueness between campuses. We reviewed documentation from the 2019 FLOCs. Staff report the 2020 FLOCs were delayed due to the pandemic but will begin on a regular 4-year cycle this fall. The FLOCs also

develop statewide transfer pathways to help students navigate their discipline areas through the different campuses. There are four pathways completed and six in development.

C. OCHE has begun drafting the first report on what will be an annual identification and analysis of courses repeated by transfer students to identify potential problem areas in MUS credit transfers. We reviewed the data export being used to inform the upcoming report and determined the data included could suffice to meet analysis expectations for this portion of the recommendation. Staff report issues identified in this analysis will be reviewed by OCHE and campus CCN Liaisons, action steps developed, and reported publicly online.

D. OCHE completed a public webinar training for registrars, liaisons, advisors, and admissions counselors in December 2019 to communicate transfer policies, tools, and goals. We reviewed the presentation materials for this webinar. Since January, they have also completed several additional briefings for registrars and admissions officers and tribal colleges regarding specific aspects of MUS transfer policy. OCHE staff report that as a result of these briefings they have increased interest and participation in CCN with tribal colleges across the state.

RECOMMENDATION #3

We recommend the Office of the Commissioner of Higher Education improve the use of system-wide shared services, by:

    A. Expanding efforts to evaluate current services and the capacity to share those services across the system,

    B. Prioritizing shared service areas deemed most critical based on areas of highest need and with highest potential costs savings,

    C. Involving and obtaining input from administrative and frontline staff from campuses across the system,

    D. Developing a long-term plan detailing the goals and necessary steps to implement shared services across the system, and;

    E.   Implementing prioritized shared services based on campus input and shared services goals.

Implementation Status –*Partially Implemented*

Original audit work found an underdeveloped system-level shared services effort contributed to inconsistent sharing and implementation difficulty within the MUS system. We interviewed OCHE and campus administrative staff and reviewed shared services documentation to assess the extent OCHE implemented five recommended steps to improve the use of system-wide shared services. We found the MUS shared services initiative efforts have seen some positive changes, such as adding a MUS chief procurement officer, but continue to remain underdeveloped. The addition of a procurement officer to OCHE's staff has reportedly improved their ability to compare and negotiate pricing for procurement of systemwide needs, recently including procurement for the system-level response to the COVID-19 pandemic. They have also started to require campuses include cooperative agreements in their contracts to allow other campuses to join contracts negotiated with providers. This will allow for campuses to more easily join pre-existing arrangements and potentially gain some advantage in leveraging economies of scale. Outside of the shared services taskforce, there have been promising efforts by OCHE in other areas, such as student services and enterprise risk management, to improve stakeholder engagement and organization of implementation efforts. Additionally, campus staff report progress in some areas with independent campus-led efforts to increase sharing of positions and resources within campuses and affiliations, though these efforts are dependent on the individual personalities in key administrative positions at any given time. While these improvements will contribute to improving sharing new services, it does not appear there will be progress at the system-level to further implement this recommendation. There is not appetite to deliberately assess potential sharing of existing administrative services between campuses, plan alignment of business processes, or consistently improve the implementation and communication of these efforts.

A. The original audit found OCHE's shared services initiative to be reactive and not include systematic assessment of the different functions and services already in place across the university system. During follow up work, we interviewed OCHE staff and asked for documentation of additional efforts to evaluate current services and the capacity to share services across the system. While the taskforce continues to meet, efforts to proactively evaluate existing services and capacity to align business processes to share administrative services across the system has not occurred. OCHE staff indicate instead they had to largely allocate their time to coordinating the MUS response to the COVID-19 pandemic. They also indicated they are limited in their ability to expand shared services efforts given the finite resources they have available at OCHE. The taskforce continues to periodically solicit ideas from its members, or to consider opportunities to share new services or contracts. Campus staff feel it is unlikely major improvements in existing shared services or licensing alignment will be made without aligning business processes first.

B. There has not been system-level movement to prioritize shared services based on highest need and potential cost savings due to not inventorying processes and services across the system. OCHE staff reported there was not a formal process to consider financial implications of potential shared services, though they did have two past examples of software license price comparisons. Staff provided the most recent shared services potential projects list, last updated and presented to the BOR in November of 2019. This list was reviewed during follow up work. On the potential shared services list, some items have already been completed while others have since been determined infeasible and dropped as potential shared services.

C. Audit work found that OCHE typically did not solicit participation from relevant campus-level professional staff to obtain input or identify potential implementation challenges for shared services. This is still inconsistently practiced at the system-level. For projects spearheaded by the taskforce, they rely on members of the taskforce to communicate to campus staff rather than facilitating two-way communication using working groups of relevant experts across the system. As a result, staff in administrative services roles in the campuses continue to describe many initiatives as arriving unexpectedly, with no prior knowledge of or involvement in the development of the initiative. The shared services taskforce membership has been expanded to include IT professionals, the MUS procurement officer, and one Dean of a 2-year campus. Membership expansion does not eliminate the need for working groups with relevant stakeholders on specific projects but will increase their overall breadth of knowledge relating to shared services.

D. Audit work found projects from the shared services initiative often did not include formal project road map or long-term implementation plan or clear expectations for campus staff. These organizational steps continue to be inconsistently developed by OCHE for shared services initiative items. The shared services initiative has a one-page guideline document with high-level principles, which includes achieving system-wide efficiencies by improving MUS administrative and support activities, enabling resources to be leveraged across MUS, and reducing duplication and maximizing resources. There is also a list of past accomplishments and single-line descriptors of potential shared services under consideration by the task force. Follow up review did not find additional development of guidance, documentation or updates of the status of these potential shared services, points of contact, or steps of implementation available for most of these topics.

E. The final step of the recommendation addressed the need for the culmination of prior steps to be utilized to implement shared services based on need as prioritized and developed with campus input to meet shared services goals. OCHE has not completed the prior steps to consistently meet these needs for the current shared services initiative efforts, particularly regarding administrative services. As a result, some campus staff still describe shared services as OCHE derived projects without needed direction, communication, or support.

RECOMMENDATION #4

We recommend the Office of the Commissioner of Higher Education develop a university system information technology governance framework, in conjunction with system campus staff, to:
 - **A. Review, analyze, and update the university system strategic information technology goals,**
 - **B. Formalize campus roles in meeting goals and involve them in the goal-setting process, and**
 - **C. Pursue shared information technology procurement between individual campuses to strategically align software investments.**

Implementation Status –*Not Implemented*

We found in original audit work that the MUS did not have an IT governance framework to facilitate intentional coordinated management and oversight of IT across the system. IT governance is key to improving information sharing and aligning administrative processes in organizations such as higher education systems with campuses that have historically grown independently around their available technology solutions. OCHE staff wrote a description of their perception of their governance framework for the audit follow up, but they have not developed a formal framework with the campuses. They continue to have monthly meetings between the MUS IT Director and the flagship CIOs, and plan to have more consistent quarterly meetings with additional senior IT management at the affiliated campuses. Campus staff report they do not perceive there is an IT governance framework in place for the Montana University System. There continues to be uncertainty about the responsibility and authority of different actors within the system in relation to each other in different areas of IT. There is particular concern about UM's authority in affiliate campus IT governance, despite intertwined infrastructure, due to ambiguity in reporting lines and the authority of the flagship campus in regard to affiliate campus activity.

Though the recommendation to develop a systemwide IT governance framework has not been implemented, OCHE has made effort using other means to address part C of the recommendation. The procurement officer position has played a role in assisting with the system-wide procurement of several IT related applications including the single application portal, a standardized financial reporting platform, and cross-campus registration platform pilot. While they have not expressed plans to move to more closely align the affiliations enterprise solutions or associated business processes, they are working on migrating one campus to a cloud-based solution and considering the potential to move another campus into the same hosted environment. This could allow these campuses to share resources and potentially further integrate enterprise systems in one of the affiliations.

S:\Admin\Performance\Follow-up\21SP-14-OCHE-follow-up-orig-18P-01.docx/ah