

September 27, 2017

Governor C.L. "Butch" Otter
Idaho State Capitol Building
700 W. Jefferson
Suite 228
Boise, Idaho 83720

Dear Governor Otter,

As you are aware, your Taskforce on Higher Education has returned several bold ideas that, in combination, will transform Idaho's higher education system. These recommendations will help the state achieve the 60% goal, create a higher education system that is cost effective, responsive, and able to serve the state's needs for decades to come. This is an exciting opportunity.

The cornerstone of success is the implementation of these recommendations, which relies on one recommendation: *"The SBOE should take immediate action to put a leadership structure in place necessary to execute the change management needed to move higher education toward Systemness"*. This recommendation was unanimously approved by the entire taskforce.

The task of putting in place a higher education CEO (HE-CEO) is essential to future success. To execute the game-changing Taskforce recommendations requires a single executive with the authority, responsibility and accountability to ensure that silos are broken down and all parts of the system work for the good of the whole. Several of our recommendations require additional investment to improve the affordability and delivery of education including establishing a single statewide digital campus. With these investments, we are confident that we can reach the goal of 60% of Idahoans 25-34 holding a post-secondary certificate or degree.

The Taskforce understands that the final recommendations will take funding. However, the Taskforce also felt strongly that a substantial amount of the required funding could be offset from the savings from a "systemness" approach to back-office functions.

This is a massively complex and difficult undertaking, and an effective HE-CEO is critical. Unless the new leadership imperative is approached with seriousness, urgency and a deep understanding of the nature of the work and change management, the probability of success will decline to near zero.

We recommend that the following steps be taken to establish the aforementioned leadership structure and to staff the needed leadership (HE-CEO) position.

1. Establish a small, highly experienced Steering & Hiring Committee and charge that committee with implementing the Taskforce recommendation immediately. The Committee should be small, comprised of 5-6 members. The makeup of the Committee should be 2-3 SBOE members and 2-3 seasoned business executives. The business executives should be people with significant executive experience in running large, complicated organizations and hiring senior level executive positions. It will be important to have experience on the Committee from executives who have run large-scale change management efforts, started and created new organizations, and/or have overseen large-scale reorganization projects.

2. The Committee should first create the HE-CEO's job description, defining the scope, role, responsibilities and reporting structure for the new position. The Committee should decide the background and experiences that will be desired of the ideal candidate and specify the industries from which the candidates will be identified. The key experiences and characteristics of the new HE-CEO should include experience in large-scale change management; centralizing and standardizing support services for large, complex organizations; and creating new organizations and restructuring established ones. The successful candidate should have a results-driven management style. This will ensure that the new centralized function does not become a large, unresponsive bureaucracy that wastes tax-payers' money, hampers schools, and ultimately harms our students. It is not necessary that candidates have experience in higher education. This job is predominately about running a large scale, highly effective back-office system and a digital campus. The eight college/university presidents will continue to run the facilities and academic affairs of our schools. Finally, before launching the search, an appropriate salary range should be determined.
3. The Committee should find and employ an executive search firm to launch a nationwide search for this new CEO position. The Committee will then screen candidates and present a set of final candidates, including recommendations, to the full SBOE.
4. The Committee should outline the initial year critical tasks, objectives, and success factors for the HE-CEO position. This will ensure the successful candidate, the SBOE, and the staff can hit the ground running with a shared clarity of the initial work at hand. After year one, the HE-CEO would function as a normal executive reporting to the Board on key objectives and plans.
5. The Committee should, in parallel, begin searching for and employ a management consulting firm to audit and benchmark the state's current higher education spending. The firm is to maintain a keen focus on back-office functions and proper cost structure of a purely digital campus. The goal is to produce a high-level strategic guideline/timeline, cost and ROI estimates, and beginning framework that the state should expect from this effort. This would not be the state's plan (the HE-CEO would be responsible for that), but rather a review of other states and similar organizations that have done this successfully, and then contrast the framework to how Idaho's system runs today. This is critical input to building the business case for the work that will be critical for SBOE and legislative buy-in to the longer-range plans.
6. Your office should work with the SBOE and establish a 2018 budget request to fund the new position, the outside consulting work, and the needed resources to support the HE-CEO position in its first year. At first blush, we would estimate that year one budget to be roughly \$2.5M. After the HE-CEO is in place, a re-structuring plan for the back-office functions via collaboration with the SBOE staff and staffs of the eight schools would be developed. Additionally, they would build a startup plan for the new digital campus. The plan would be built by leveraging and combining the disparate distance learning efforts currently offered by nearly all of our schools. The goal is to find partners to help the state implement the plans without recreating the wheel. These plans will include detailed cost and ROI estimates for the rest of the transformation work.

Lastly, this endeavor of establishing a new HE-CEO and setting that person, and the state, up for success is a complex, multi-year, heavy lift. Success will depend upon strong, consistent, and out-spoken support from the SBOE. As Governor, you are in the unique position to work closely with the SBOE to influence and drive that level of support for this journey. Once this effort is established, a competent HE-CEO will work effectively with the SBOE to lead the state through this process, without direct, day-to-day involvement from the Governor's office. However, we feel a strong hands-on approach will be needed by you to get the SBOE aligned and supportive of this in the initial stages.

Respectfully,

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