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AUTHOR Millard, Richard M.
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ABSTRACT

Relations between colleges/college governing boards and statewide coordinating boards, and alternatives to coordination, are considered. The history of statewide coordinating boards is briefly sketched, and it is suggested that current conditions and trends require both state and institutional responses. Among the issues are declining enrollments and the need to develop new student clienteles, the need for coordination with respect to continuing education and lifelong learning, financial problems in higher education and the need for relevant budgeting formulas, the demand by state government and the public for accountability, the need for effective information systems, effective ways to review academic programs and educational outcomes, and relationships between public and private higher education. It is suggested that institutional boards and executives, in cooperation with their faculties and with appropriate state agencies, need to develop clear statements of institutional goals and objectives in terms of educational functions and target audiences. Attention should also be directed to institutional and statewide assessment and effective program review. Some references are made to the situations in Ohio, Illinois, Indiana, and Michigan. (SW)

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RECONCILING STATEWIDE PRIORITIES
AND INSTITUTIONAL ASPIRATIONS

RICHARD M. MILLARD

Director, Postsecondary Education Department
Education Commission of the States

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Education Commission of the States

Inservice Education Program (IEP)
Education Commission of the States
1860 Lincoln Street, Suite 300
Denver, Colorado 80295

SHEEO

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RECONCILING STATEWIDE PRIORITIES AND INSTITUTIONAL ASPIRATIONS

Since yesterday noon the workshop has dealt with state priorities, trends in financing, interinstitutional cooperation, and legislative and executive expectations. This morning you have had the opportunity of meeting as representatives of individual states. Even though the workshop includes only four states with contiguous borders and far more in common than would New York and Wyoming or North Dakota and California, one of the most striking things about the four states involved in the workshop is their differences. While legislative procedures and organizations are analogous, they are not alike. Executive structures, expectations and relations to legislatures are different. Higher educational histories, interinstitutional relations, even types of institutions and the forms of their relation to state government differ. Illinois and Michigan have highly developed community college systems with community colleges in commuting distance of most residents in the state -- each college with its own trustees but with a coordinating or advisory board responsible for system planning and institutional interrelations. Indiana has no community college system but a vocational technical college with 13 campuses and a single board of trustees and one separate two-year institution. Ohio has five community colleges but also an extensive system of two-year branches of universities plus 17 technical institutes and three state general and technical colleges. Illinois and Ohio each have major national universities and a series of comprehensive universities. But in Ohio each university has its own board of trustees while in Illinois the universities are grouped under four governing boards. Indiana and Michigan have universities and

colleges each with separate governing boards. Illinois and Ohio have relatively long histories of statewide planning and coordinating through the Illinois Board of Higher Education and the Ohio Board of Regents. Indiana has a shorter history with its Commission for Higher Education. Michigan is in the somewhat unique and interesting situation in which while constitutionally the Board of Education has coordinating functions in relation to higher education, these are advisory only and in practice have minimal impact on the constitutionally autonomous institutions -- so much so that a number of people in and out of Michigan are hardly aware that these advisory functions exist.

Given the variety among the four states the easy non-answer to the question of reconciling state priorities and institutional aspirations would be to say that in the light of the differences in structures, histories, even to some extent priorities, each state will have to solve its own problems individually. No common answer is possible. End of speech and we can all go home an hour and a quarter earlier. Unfortunately, the easy non-answer will not do. At best it is a dodge. There is a sense in which it obviously is true that each state will have to solve its own problems in its own way, work out its relations with its own institutions, and that the solutions each state finds while possible analogous will be different for each state. There is no magic common answer. And yet if the workshop has demonstrated anything to date it is that the major issues are not unique, that we are facing a period in which in all likelihood they will become more acute, and that the days, if they ever existed, of each institution separately being the prime determinate of its own destiny are over. If this is the case then not only the central question of reconciling statewide priorities and institutional aspirations but the subquestions listed under it on

the program become particularly important in each state. These, as you will recall are: What can boards do to protect their institutions from unreasonable intrusion yet be responsive to the need for accountability and statewide coordination? and, What are the trends in relations between statewide coordinating boards and institutional governing boards? In addition to reversing the order of these questions, I would like to add another: What are the alternatives to effective coordination?

What I intend to do is look first at some of the trends in coordination, second at some of the issues that require response on more than individual institutional bases, third at some of the alternatives to coordination, and fourth at how institutions and their boards can respond to the issues and alternatives in such a way as to maintain their integrity against unreasonable intrusion into their internal affairs and fulfill responsibly their academic missions in meeting the higher educational needs of the states and the nation.

First then, a bit about coordinating boards: While the first coordinating board goes back to 1784, the major period of development of coordinating and governing boards occurred between 1960 and 1972. During this time 23 such boards were established with a 24th in 1976. Today if we include two executively appointed boards, all 50 states have boards of some type although these vary tremendously in authority, responsibility, composition and size of operations. Of these, 19 are governing boards, 29 are coordinating boards, and two are executively appointed planning agencies. The period of major development of coordinating boards coincided not accidentally with the largest period of expansion of higher education in the history of the country. Most of the boards established by statute or constitution during this period were charged with "providing for the

orderly growth of public higher education." Most of the powers given to such coordinating boards (in contrast to governing boards) were related to problems of growth such as review and/or approval of new programs, developing priorities for capital outlay, master planning for expansion and program complementation, and budgetary review for assuring equity in meeting needs.

Today, like institutions, coordinating boards are under fire and the question that is being asked in state after state is whether they will be able to meet the changing conditions and challenges of the 1980s. Special commissions are or have been established in a number of states to review the whole issue of structure and governance and to recommend changes to strengthen responsibility, accountability, and responsiveness to these differing conditions. You are familiar with the Wessell Commission report in New York State. Within the past six months special commissions and studies have been authorized in Massachusetts, Colorado and Delaware. Six states this year seriously considered moving from coordinating structures to consolidated governing boards. As of July 1, some 17 states reported that modifications in functions, powers or structures had been under consideration in those states during the previous 12 months. With very few exceptions the changes that have been made in such boards from 1970 to today have been in the direction of strengthening them rather than weakening their scope or powers.

When one begins to ask why this ferment, why boards as well as institutions are under fire, a series of issues begin to emerge -- some of which have been discussed yesterday and today -- which in the eyes of legislators, governors, citizens and many institutions are broader than most single

institutions by themselves can deal with. These are issues that impact every institution to a greater or lesser extent, relate to the directions in which higher education is moving, and seem to require state as well as institutional responses.

One such issue is obviously the enrollment and demographic projections for the 1980s and 1990s. You are well aware that for the first time since 1951 higher educational enrollments actually dropped 1.2 percent in the fall of 1976 in spite of the fact that the 18-24 year old population bulge will continue until around 1980. Among the surprises were that students over 35 who had increased 50 percent in the previous two years held even and community colleges that had increased 50 percent since 1970 dropped by 2.2 percent. Against this the demographic information on traditional college age students (18-24 year olds) takes on additional significance. While in Illinois the age group will continue to increase by 6 percent from 1976 to 1980 and Ohio by 5.2 percent, Indiana will hold about even and Michigan will drop 5.1 percent. Between 1980 and 1985 all four states will drop: Illinois by 3.9 percent, Indiana by 5.2 percent, Michigan by 9.2 percent more and Ohio by 7 percent. In the meantime we have had nationally more than a 7 percent drop in high school graduates going on to college in the last few years and even a decline in number of high school young people completing high school. While enrollment projections vary depending upon assumptions in relation to new clienteles very few of them are optimistic.

Colleges and universities are faced with the prospects of declining enrollments or developing new student clienteles or more likely both at the same time. This raises problems at the state system as well as the institutional levels. It means that statewide planning in most states

will have to be at best for holding even and more likely for declining enrollments but the decline is not likely to hit all institutions evenly. It means that concern will not be with new structures and increased capital outlay but with effective use of existing resources, with readapting existing structures to modified usage, with how to use effectively existing space. It means that state agencies and institutions working together will need to develop contingency plans for retrenchment and at the same time preserve quality while maintaining or increasing the progress that has been made in providing opportunities for minorities and women. It means that the problems of equity among institutions will become more acute. None of this will be easy. Each institution has a tendency to believe that the cutbacks will take place in other institutions but that somehow it is an exception. In such a situation hard decisions may have to be made at the state level that will directly impact internal governance at the institutional level. The one thing that is critical is that everyone -- institutions and state agencies -- be party to the discussions and planning so that no one is taken by surprise.

The question of new clienteles is a fascinating one and may not be as subject to easy solutions as is sometimes argued. Currently, for all institutions, the "new clientele" tends to be older students. The current concern with lifelong learning including federal recognition of its importance in the Education Amendments of 1976 has in some quarters engendered visions of older students flocking to campus, replacing the diminishing 18 to 24 year olds. This kind of optimism, it seems to me, deserves some sober reconsideration. While there may indeed be a large group of older citizens potentially interested in further education, the assumption that they will compensate either for

declining 18 to 24 year olds or that they will, if they come, engender the same or increasing levels of state support are at least open to question. Average college age has gone up in the last few years particularly in community colleges. Close to half of the current college age students are over the "traditional" college age now and one in every ten students is over age 35. The question at least needs to be raised as to whether the more interested older students are not already present, and one may wonder how large the actual reserve is. Further, even the assumption that increased numbers of older students will bring increased funding also is open to question. Most such students are part-time. As you are well aware it is not true that full-time equivalents of part-time students cost the same to educate as full-time students. Some governors and legislators are beginning to suspect that concern for older students has less than altruistic motivation. Others have taken the position that working older students should be willing to pay more or all of the cost of their additional education.

But granting the importance of adult, continuing education and lifelong learning, there is another aspect of it that is of direct concern to state higher education systems and agencies and should be of equal concern to institutions. This already has become a highly competitive field and while competition to a point may be desirable not all competition to date has been either addressed to balance within the system or to meeting intelligently the needs of older students. Currently, the scramble for older students in some states has some of the characteristics of the jungle. Some in- and out-of-state institutions are creating off-campus centers practically within other institutions and even some public institutions are engaged in advertising campaigns more reminiscent

of patent medicines than educational institutions. There are few areas in which the need for effective statewide planning to meet intelligently the needs of citizens is more acute than in the area of adult, continuing education and lifelong learning. Such planning should involve institutions and their boards as well as state agencies but it clearly will have an impact on internal governance and will call for responsible academic decisions in relation to institutional mission, role and scope and their relevance to education of older citizens.

A second major issue, as pointed out yesterday, involves finance which in turn is not wholly unrelated to the enrollment situation and to changing state level priorities. Even with some upturn in the economy and a return of surpluses in revenue in some states, there was little enthusiasm either from governors or legislators this year for major increases in funding of higher education. There is a remaining credibility gap between legislators and governors and higher education that grew out of the period of student unrest and a suspicion whether valid or not that higher educational institutions were and are less than efficiently managed. Added to this is the fact that higher education no longer has the high priority it did during the 1960s. More than a few legislators and others are convinced we are educating too many people too much and employment figures and manpower projections do not help. Costs also have risen in all other government service areas. Health, energy, conservation and welfare are placing higher and higher demands upon state funds. Within education itself there is a growing competition for funds between elementary-secondary and higher education. In some states this already is acute. Even though enrollments are dropping more rapidly in el[illegible]tary-secondary than in higher education, public concern

with minimal competency and return to the basics, with school district equalization, and with increased costs of federal programs such as the new handicapped legislation tend in many quarters to give a higher priority to elementary-secondary than to higher and postsecondary education.

When one adds to all this the enrollment projections for the 1980s, the need for a rather careful review of budgeting procedures and more adequate justification of requests for funds at state system and institutional levels seems clear. Budgeting formulas, for example, driven by enrollments which worked rather well in periods of expansion may be far less than adequate in a period of contraction. We may well need to explore formulas based on fixed and variable costs and marginal utility. In such budget development the state system in cooperation with the institutions and the executive and legislative budgeting officials should take the lead, otherwise the end result is likely to be either a noneducationally oriented budget system imposed primarily by political considerations or, as in at least one state, separate budget systems nontranslatable into each other by institutions, the executive budget office and the legislature with resulting budgetary chaos.

As the funds have become tighter and the priority for higher education has dropped, a third issue has become progressively more important; that is, the demand on the part of state government and the general public for accountability. In one sense this is nothing new. Few people even within the higher education community would deny that institutions should in fact be accountable for the effective, even efficient, use of public funds and to a greater or lesser extent higher education institutions always have been. The new emphasis upon accountability has,

however, taken a number of different forms, some of which extend considerably beyond fiscal accounting for the use of funds.

As the fiscal situation has tightened and decision making has become more difficult, institutions and state agencies as well as legislators have progressively come to recognize the need for more effective information systems and, as noted, revisions in the budgeting process. To some extent with the help of such organizations as the National Center for Higher Education Management Systems, including the State Level Information Base Project, the American Council on Education and the National Association of College and University Budget Officers, institutions and state agencies have themselves taken the lead in developing instruments for more effective reporting and analysis. All of us are well aware that at times the information requirements placed on institutions are excessive. Since there is no value in collecting information simply for the sake of collecting information it is critically important for state agencies and institutions on the one hand and state agencies and the executive and legislative branches of government on the other to agree as to what information is essential and for what purposes. But under any circumstances the need for accurate and adequate information both for planning and for budget development and review is particularly essential in a period when institutional health and the educational welfare of students may be at stake.

A more recent development with far-reaching implications for state agencies and institutions has been the growing state interest, even demand in some cases, not only for fiscal audits but with performance audits, outcomes and program review. This is not wholly unrelated to the growing legislative concern with minimal competency on the

elementary-secondary level nor is it unrelated to the enrollment picture and possible need for retrenchment. In fact, not only legislators and governors but higher education systems and institutions have become much more concerned with and aware of the question of results, of outcomes, of value added, of what in other words citizens are getting for funds expended in higher education. On the state government level, quite apart from higher education agencies, some 20 states have developed their own counterparts to the federal Government Accounting Office. While these agencies have not been established primarily to audit higher or postsecondary education, higher education or some component of it frequently has been a first target of primary concern, for unlike other areas of public service, it usually is not tied to mandatory funding formulas.

Unfortunately, the state-of-the-art of performance audit is not very advanced. It does bring into play issues of outcomes, results and effective means of achieving them. The question of criteria to be used in such audits is critical and moves to the heart not only of fiscal but of academic effectiveness. Far too frequently when such audits are attempted by independent government agencies the prime criterion is likely to be efficiency and not educational effectiveness. If educational effectiveness is to be measured, serious question can be raised as to whether noneducational government agencies are equipped to do so, and, if they do, whether this does not weaken the integrity of the academic process. But the insistence upon such audits of educational effectiveness not only remains but is likely to increase. If this is the case then the question becomes whether the state higher education agencies in cooperation with the institutions and the academic community are willing to accept the responsibility and undertake such

audits themselves. If not, it seems rather clear that there are others who will do so, whether qualified or not.

This brings us to the important issue of program review which may be an integral part of performance audit, and in fact, probably is the most effective answer to external audit. If we are to maintain quality in the light of institutional and system missions, role and scope, and public postsecondary educational needs in an unsteady state, then program review becomes progressively important. In fact, it may well be an internal obligation of each institution to engage in continuous program review to insure its own integrity and quality in the light of its mission and many institutions do so now. But system issues are involved as these relate to duplication, differentiation of function, and reinforcement of educational quality.

In one sense the prospects of such review are threatening. And yet it should be looked at not as a threat to institutional independence but as an opportunity within institutions and systems to reexamine, for higher education to put its own house in order, and as a means for counteracting external attempts to interpose what may be less than educationally valid judgments into the academic process. What is important in such review is that the criteria be developed with the institutions, that they be clear, understood by all involved, and to the extent possible agreed to by all involved.

A fourth issue that has bearing on system institutional relations is the recognition at the state level as well as federally (in spite of recent change in nomenclature) that public higher education, while an essential part, is only one part of the postsecondary education universe.

It does not even comprise all of public postsecondary education for in many states it does not include much of public postsecondary vocational education. And yet the states are spending considerable amounts of money on public postsecondary vocational education, sometimes in direct duplication of occupational programs in community colleges, branches of state universities, and even regional colleges and universities themselves.

Public higher education obviously does not include independent higher education or proprietary education yet both of these sectors constitute important parts of the resources of the state in postsecondary education. State concern particularly for reinforcing the independent institutions, for including them in resource analysis, is clearly evident in the fact that some 43 states including Indiana, Illinois, Michigan and Ohio now make some form of direct or indirect aid available to them. It has become clear that in planning and in considering the postsecondary resources of the state, the full range of postsecondary education in the state is going to have to be taken into account. This does or should involve not only effective statewide planning but development of effective interinstitutional relations with these other types of institutions.

Obviously there are other issues that do involve impact of state systems and statewide higher education agencies on internal governance and vice versa. However, in terms of the changing conditions facing higher education involving statewide as well as institutional concerns I would suggest that the issues we have briefly reviewed are likely to be the most pressing and the ones that call particularly for close cooperation between statewide systems including state higher education agencies

and institutions. These are the areas in which the impact of statewide systems is likely to be most direct on internal governance. The student situation is perhaps the most critical and sets the stage for the others. Changing enrollment patterns, concern for new clienteles, competition for students, effectively facing the conditions and potentials of lifelong learning, and continuing to provide access for minorities and women call for changes in perspectives and planning at both institutional and statewide levels. Financing in an unsteady state and changed priorities in state government involve the future health of every institution and the system of higher education as a whole. These directly relate to accountability, to concern with outcomes, to the quality of education, and to the effective use of the total higher educational resources to meet the higher and postsecondary educational needs of the states and nation. Integral to this is the growing importance of program review to insure diversity, quality and institutional as well as system integrity in fulfilling educational missions in the face of possible retrenchment and changed societal needs.

None of these are easy and dealing with them will call for understanding, cooperation and accommodation on the part of all parties involved. This also brings us back to the basic and final question of how boards can respond to the issues and alternatives in such a way as to maintain their integrity, avoid unreasonable intrusion into their internal affairs, and maintain a degree of independence commensurate with fulfilling their educational missions. On the surface it would be all too easy to look at the changing situation as simply involving further erosion of institutional independence. To some extent this may be the case if by erosion one means that institutions may have to operate more clearly within defined missions, will be held more fully accountable for quality

and outcome of programs, and will need to look at issues both from institutional and statewide points of view. However, there are other dimensions to the picture. What is called for is a level of cooperation, leadership and academic statesmanship that has not always characterized all institutions in the past.

This suggests, first, that institutional boards and executives with their faculties and with appropriate state agencies will need to take the lead in developing much more clearly statements of institutional goals and objectives not in terms of the rhetoric in most college catalogues but in terms of educational functions and targeted audiences. And this needs to be done in light of analysis of the educational and to some extent the manpower needs of the state and the nation on the one hand and the interests of students and potential students on the other. It also needs to be done with some degree of cognizance of the functions and mission of other institutions in the state and common and cooperative involvement in the planning process. It is here that the state higher education agency -- regents, board of higher education, or other appropriate agency -- may have a critical role to play not only in involving relevant institutions but in adjudicating differences and assuring that the requisite diversity and complementation among institutions to meet the higher and postsecondary education needs of the state takes place. The alternative is illustrated in a state not too far from here where the legislature has directly taken over the function of assigning role and scope.

In addition to clarification of mission, role and scope, the situation may well call for considerably more attention than in the past not just

with input factors but with outcomes, with how well institutions are performing their functions in relation to academic missions and student and societal needs. This will involve developing more effective criteria for institutional and statewide assessment. It seems clear that unless institutions and state systems take the lead in doing so, others with less concern for academic and institutional integrity are likely to do so and in some places already have begun to do so. Accepting such responsibility becomes particularly important if we are to maintain the principle of post audit where the institution has the responsibility, leeway and opportunity within its mission to carry out its functions as it sees fit but is accountable for the results in contrast to preaudit and direct regulation of how it does so.

Closely related to such concern with results is the desirability of institutional and statewide leadership in effective program review, concern with maintaining and improving quality, and directing resources to educationally sound priority areas. Implicit in this is at least some contingency planning for retrenchment if it becomes necessary so that the hard decisions have some reasonable and well understood basis and are not simply crisis reactions. What is important in program review is carefully developed criteria, involvement of those concerned in their development, clearly defined processes, adequate provision for appeal, and to the extent possible mutual agreement and support in their application. This provides not just or primarily a threat but an opportunity for institutional and system self-evaluation and renewal.

It may well be the case today that the possibility of maintaining the kind of independence essential to academic integrity, to providing the

leeway for institutions imaginatively to carry out their missions along with effective institutional involvement in the planning process and maintaining effective accountability for quality and outcomes depends even more fully than in the past on effective institutional involvement as partners with and within systems including state higher education agencies than ever before. The alternatives, if such cooperative involvement does not take place seem to be clear. One is moving to even more centralized systems and consolidated governing boards. The second is direct intervention by the political community and this is a real and present danger. The third is a return to a Darwinian jungle in which everyone gets hurt and which I strongly suspect no state government is prepared or willing to see happen.

We are faced with difficult but also fascinating challenges. The leadership role and sensitivity of trustees and institutional executives is crucial if the end result is to be viable institutions and systems that can meet the changing postsecondary and higher educational needs of students and the country. On how we meet these challenges depends not only the future of higher educational institutions in this country but in a special way, I suspect, the future of the country itself at least from the standpoint of how it values and utilizes an educated citizenry.

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