Ms. Machiavelli
City University of New York’s controversial chairwoman

Machiavelli: Well, be sure you remember. What these people lack is proper direction from the top, proper government, real political leadership, laws that will... Actor: Wait, wait, wait! What’s all this political stuff! Let’s keep politics out of it!

Machiavelli: “But you can’t! That’s my whole point. Like I said, it’s a kind of siege! We’re in a political universe from beginning to end!”

—From “The Actor in Search of His Mask,” a play by Anne Paolucci, chairwoman of City University of New York’s Board of Trustees.

By Joe Mathews

New York

Anne Paolucci fills her plays with bold, historical characters: Thomas More and Cardinal Wolsey, Confucius and Sophocles. She quotes Dante to reporters. And when not writing drama, she translates Machiavelli.

Paolucci has the Prince’s affection for politics, particularly the broad strokes.

In February, this state’s Republican governor, George E. Pataki, appointed Paolucci to the chair of the City University of New York Board of Trustees. Immediately, this 71-year-old retired English professor from St. John’s laid personal siege to the country’s largest urban university, criticizing it from all angles and working full-time to bring the central administration under her control. In nine short months, she has made herself de facto chancellor of CUNY’s 18 colleges and 200,000 students.

She has not hesitated to wield her power. Paolucci unilaterally ended two presidential searches at CUNY campuses with a three-sentence fax. She ran CUNY Chancellor Ann Reynolds out of town with a series of calculated public diatribes that convinced Reynolds to take a job in Alabama before she could be fired. Some of Paolucci’s bromides were so fierce (“The chancellor is virtually lying,” she said once) that they made tabloid headlines.

In July, Paolucci ordered the university’s 11 lawyers out of its third floor offices at CUNY’s Upper East Side headquarters. In their place, using $1 million she and other board members carved out of CUNY’s administrative budget, Paolucci installed an attorney, researchers and auditors with specific instructions: to do the bidding of Paolucci and her board, not CUNY. To keep an eye on everything, the chairwoman gave herself the corner office.

“We had to move to the first floor because of the shake-up she caused on the third floor,” said Sandi Cooper, president of the faculty senate. “If she needs more space, we’ve been told our offices will be moved across the street,” Cooper said, pointing to the East River.

“Chairwoman is imperious,” said CUNY Trustee Edith Everett, a Paolucci critic. “And I think she’s mixed up. The board is supposed to offer advice and guidance, not run the university day-to-day.”

But in the Empire State, a CUNY board that has been swiftly reshaped by continued on page 15

CUNY’s Anne Paolucci

Patton’s Reforms

Kentucky governor brings change to postsecondary education

The governor’s program was bitterly opposed by the University of Kentucky, the state’s flagship institution, and by many community college leaders as well.

protest if Kentucky’s university presidents succumb to their old habits of making ends run around system habits to seek legislative approval for pet projects. If you don’t like elements of the state’s new higher education reform law, which the governor authored, then seek changes.

But please resign first, Patton quickly added: “You cannot implement a policy and fight it at the same time,” he said.

After a year-long study that culminated in a bruising three-month battle with the University of Kentucky, Patton succeeded last spring in pushing through legislation that included these reforms:

• creating a stronger coordinating agency—the Council on Postsecondary Education—with increased influence over budgets and academic programs.

• removing all but one of the state’s 14 community colleges from the University of Kentucky’s control and placing them, along with 25 technical schools, under a new governing board.

• establishing a new “strategic committee” to advise the governor and the post-secondary education council on long-range higher education policy.

• creating a series of “incentive funds” to promote improvements across a broad range of activities, from higher-quality research to better student financial aid systems.

• starting a new “Commonwealth Virtual University” to expand classes and other academic offerings through television and computer technology.

To bring all this about, Patton added $40 million to the higher education budget for the 1998 fiscal year and pledged to find an additional $60 million per year for improvements, over and above basic funding and cost-of-living increases.

Later, the governor said Kentucky probably will have to spend an additional continued on page 4

In This Issue

Politics and higher education have never been far apart. Feelings between the two parties sometimes have been warm, as they were in the 1960s when Governor Edmund G. (Pat) Brown was providing money for scores of new California campuses, or in the 1970s when Governor Nelson Rockefeller was building the State University of New York. Sometimes a chill sets in, as it has recently in Virginia.

In this issue, National CrossTalk looks at the interaction between politics and public higher education in three states—Kentucky, Minnesota (page 2) and at the City University of New York.

In the “Other Voices” section (pages 11 to 14), four authors—Gerald L. Bailles, former governor of Virginia; Elaine H. Hairston, chancellor of the Ohio Board of Regents; Phyllis M. Krutsch, a former regent of the University of Wisconsin system; and Aims C. McGuinness, of the Center for Higher Education Management Systems—write about consensus and conflict in the world where academic and political values seek to co-exist.
Mega-Merger in Minnesota
Anticipated goals of savings and efficiency prove to be elusive

By William Trombley
Senior Editor

ST. PAUL, MINNESOTA

SIX YEARS AFTER the State of Minnesota merged all of its public universities and two-year colleges (except for the University of Minnesota) into a single system, there appear to have been more losses than gains.

—Until recently, the Board of Trustees of the new Minnesota State Colleges and Universities system (MnSCU—called “mnmskew” by its friends and “miscalc” by its detractors) has been badly divided by both substantive disagreements and personality conflicts.

—In six years the system has worked its way through one chancellor, two interim chancellors and an “acting interim” chancellor. The lone regular chancellor, Judith Eaton, resigned last April after 22 turbulent months, and the system now is run by the governor’s former chief of staff.

—Few of the hoped-for benefits of merger, including smoother transfer policies, elimination of course and program duplication and cost savings, have been realized.

—Many who opposed the merger, including key legislators and some campus presidents, are still hoping it can be undone.

“Turbulent months, and the system now is the House of Representatives and from administrators, faculty unions and student organizations in the three systems that were to be joined.

—have never seen him spend so much political capital as he did on this,” said a Capitol observer who has watched the Senate majority leader for most of his 27 years in the Legislature.

On the last night of the session, after the lower house had voted overwhelmingly against merger, Moe threatened to hold key House bills in the Senate and to force a special legislative session if the plan was not approved. As the midnight adjournment deadline approached, the House reluctantly voted for merger and MnSCU came into being.

Some people believe Moe pressed the issue so relentlessly because his political mentor, former Senate Majority Leader Nicholas Coleman had tried, and failed, to merge all four of Minnesota’s higher education systems (including the University of Minnesota) in the 1970s.

“Coleman said reorganizing higher education is a lot like rearranging a cemetery,” Moe recalled. “You don’t get a lot of internal support.”

Whatever the motivation, Minnesota created, almost overnight, one of the largest higher education systems in the land—145,000 students on 53 two- and four-year campuses.

“It was a system born in politics, with lingering animosities that have undermined their ability to work together and to let the system function,” said a lobbyist who watched the action closely.

Moe acknowledged that the forced marriage of the three segments left hard feelings.

“It was one of those things that when you think you have to do something, you do it, and I forced it,” he said. “That really upset the House of Representatives and I respect that. I understand that. So what they did was spend the next three years trying to undo it.”

In each of the next three legislative sessions, the House voted to return to three separate systems, but each time the move was defeated in the Senate. However, the House votes encouraged merger opponents to think the action could be reversed.

The legislation provided for a four-year transition period, during which the new 15-member Board of Trustees was to organize itself and work out the difficulties of making one higher education system out of three.

The four-year gestation period was “a major flaw in the legislation,” said Archie D. Chelseth, a member of the Board of Trustees. “It provided much too long a time for people to create mischief.”

Not only did the House of Representatives vote repeatedly to dismember MnSCU but the House and Senate provided only $1 million for planning purposes, and Governor Arne J. Carlson vetoed even that amount. “That sent a political shock wave that there was only lukewarm support for the merger,” Chelseth said.

While many people accepted the new arrangements, others—the strong faculty unions that existed in all three segments, the very vocal student organizations who lost their jobs or were demoted in the transition process—continued to fight a rear-guard action against its implementation.

“Many people thought, ‘Yeah, we’ve got a merger but it doesn’t mean we have to change anything,’” said Judith Eaton, who took over as the first regular chancellor of the Minnesota State Colleges and Universities in July 1995.

For these and other reasons, not much has been done to solve the problems that presumably led to the merger.

Although some “articulation” agreements have been reached, the state universities still balk at automatic acceptance of credits earned in the two-year technical colleges.

“The whole idea of ‘seamless’ transfer of credits is nonsense,” said Dille, the former Moorhead State president. “If a student takes ‘accounting’ at a technical college, that’s really just bookkeeping, and he’s usually not ready to move into a second-year accounting course at a four-year campus.”

No one seems to know how many credit transfer complaints there have been over the years. Whatever the number, there is little evidence that it has been reduced by the MnSCU merger.

To save money and increase efficiency, 28 community colleges and technical...
colleges have been consolidated into 11 comprehensive two-year schools, with mixed results.

Some new community college districts report that administrative costs have been reduced, that identical courses no longer are taught at both the community college and the technical college, and that students have more program choices.

But a visit to Ridgewater Community College, in Wilmar (population 17,531), in the flat Minnesota farmlands 100 miles west of the Twin Cities, made it clear that merger has done little to end the long feud that has raged between the academically-oriented community colleges and the technical colleges.

“The conflict was worse on this campus because the two colleges were side by side,” said Mary Retterer, who was president of the community college and now runs both campuses, as well as a third in Hutchinson, 50 miles away.

Instructors in the technical college earn less and work longer hours than their counterparts across the road, creating fertile ground for discord. “They don’t meet together,” Retterer said. “They won’t even eat lunch together.”

Each faculty is represented by a different union, and the two unions fight constantly over class assignments and other matters.

“Until these kinds of turf-grabbing issues are settled (and they must be settled in St. Paul), we aren’t going to make much progress,” the president said.

Early predictions by Senator Moe and others that the merger would save money have proved to be incorrect. One action alone—creating a statewide pay schedule for technical college faculty and support staff—has cost an additional $13 million a year.

Some money was saved when a community college and a technical college were joined and one administrative staff could serve both. But those savings were wiped out by other “up front” costs of the consolidations.

Ridgewater Community College has saved about $350,000 on such items as publicity, new signs and new stationery, and it will be at least five years before savings from administrative cuts catch up with those expenses, President Retterer said.

The notion that merger would save money was “pie in the sky,” Trustee Archie Chelseth snorted. “It’s costing more, not less.”

One way to save money would be to close small, costly campuses in small-population areas (in 1996, Minnesota had 23 public two-year colleges with enrollments of less than 1,000. Of the 23, a dozen were below 500), but that would collide with the state’s commitment to provide higher education within commuting distance of every eligible student.

It also would mean closing campuses in districts represented by powerful legislators, so it is not likely to happen.

Judith Eaton made some progress toward merger goals during her 22 months as chancellor.

Eaton, who is described by friend and foe alike as intelligent, articulate and possessor of a high energy level, plunged into her new role as a “change agent,” which is what she said in an interview; “the board hired me to be.”

She replaced several campus presidents and cut the central office staff in half. After Governor Carlson attacked it as a “staggering and scandalous bureaucracy”

But the cuts were widely criticized as a “meat axe approach” that eliminated important jobs. For example, the facilities-planning staff was so depleted that “they simply were not getting the work done,” said Lyndon Carlson, chair of the House of Representatives education committee.

Eaton tirelessly pushed the idea that student success, whether in a two-year or a four-year program, should be based on sound assessment of what the student has learned, not the number of hours spent sitting in a classroom.

She produced a much-praised “strategic plan” for MnSCU, with a heavy emphasis on the development of specific job and career skills, and then held 12 town meetings around the state to sell the plan to local citizens.

Although Eaton’s high-powered approach grated on the nerves of many Minnesotans, the chancellor’s first year or so on the job seemed to go reasonably well. But the last few months before her abrupt resignation last April were a nightmare.

She was sharply criticized by many legislators for presenting a financial reallocation plan that would have provided less money for small campuses in remote areas, and for not following legislative instructions in drawing up plans for a new Metropolitan State University campus in or near Minneapolis.

During one hearing, House Speaker Bob Carnuthers shook his finger at Eaton and asked, “How many times do we have to tell you before you get it right?”

Representative Gene Pelowski, who chairs the higher education finance division of the House Education Committee, called Eaton’s performance a “meltdown.”

But the former chancellor said no answers she might have given would have satisfied the Legislature because some of its most influential members have their own ideas about where the new campus should be built.

“The underlying issue is who is going to control the system—the Board of Trustees or the Legislature?” she said. “I had supposed it was the board but many legislators did not see it that way.”

Meanwhile, Eaton’s relations with her own trustees were worsening. Some of the board members who hired her were gone, and their replacements had a more activist approach to the role of trustee.

In the last year the board “has changed from being an honorific board to being a policy board,” said Trustee Robert Erickson, who made a lot of money in the supermarket business and later was vice president for finance at the University of Minnesota. “Just as they have in corporate life, education boards have become aggressive with their CEOs (chief executive officers), as opposed to just passing things through.

But Eaton thought the board was engaging in micro-management on some occasions. Staff members report angry exchanges between the chancellor and some trustees at private dinners and other events not in the public eye.

As troubles mounted, some of Eaton’s weaknesses as an administrator became more apparent. She insisted on making most decisions herself, delegating little responsibility to her staff, former aides said.

In part this was because she apparently trusted very few people, either on her own staff or on the campuses.

“She was like the Lone Ranger, but even the Lone Ranger had Tonto,” Trustee Chelseth said.

“I once asked her who she trusted on her staff, and she replied, ‘no one’,” said William Ulland, the former board chair.

“You can’t survive that way for very long.” But businessman Gary Mohrenweiser, who was board chair when Eaton was hired, praised the chancellor for doing what the trustees asked her to do.

“Judith saw herself as a ‘change agent,’ as a hatchet man, or hatchet woman if you will,” Mohrenweiser said. “We asked her to make some tough decisions—downsize the St. Paul office, do some hard bargaining with the unions, show some evidence of savings—and she carried out a lot of that…Maybe she didn’t always have the best technique. Maybe she was sometimes like a bull in a china shop. But she did what the board had in mind; she didn’t flinch from that.”

Some trustees said Eaton was encouraged to look for another job but Ulland, Eaton and others deny that. In any case, when she was offered the presidency of the new Council for Higher Education Accreditation, Eaton accepted and left for Washington, D.C., on June 30.

The new interim chancellor is Morrie Anderson, 54, who was Governor Carlson’s chief of staff for two and one-half years before his appointment. He also served one year on the MnSCU Board of Trustees.

Anderson has been in city, county and state government since 1971 and is said to be an excellent manager. He also is thought to have the respect of both Republicans and the Democratic-Farmer-Labor Party, which controls both houses of the Legislature.

“He is a seasoned administrator,” Trustee Robert Erickson said. “We’ve had so much turmoil, there was a feeling we had to get the nuts and bolts in place before we can do anything else. We think Morrie can do that.”

But Anderson has had no experience as a higher education administrator, and his appointment smacks of politics to many observers.

Anderson’s early moves have been well received, especially the hiring of Linda Rauser, the highly-regarded academic vice president at Bemidji State University, to be vice chancellor for academic affairs in the central office.

Current and former staffers report that the level of tension in the central office has subsided since Anderson arrived.

In-fighting on the Board of Trustees seems to have died down, as well. In September the board unanimously elected Michael Vekich, who runs a management and financial services company, as board chair. It was the first time the chairmanship was not decided by a single vote.

But most of the work of transforming this large, awkward mixture of universities, community colleges and technical colleges into an effective higher education system remains to be done.

Senate Majority Leader Moe remains hopeful.

“This new system has great potential for the state, although we have yet to see the fruits of it,” he said. “But with a new chancellor and a more unified board, that might change. I hope so.”
Patton’s Reforms
continued from page 1

$100 million per year to realize his reform goals, especially his intention to make the University of Kentucky and the University of Louisville into first-class research institutions.

Patton’s reforms have been praised by many business and higher education leaders. “It was just an extraordinary stroke of leadership,” said Ron Geoghegan, a public affairs official with Bell-South of Kentucky and chairman of Kentucky Advocates for Higher Education—a group that has been claming since 1985 for more financial support for the state’s higher education system.

“The real issue is changing the higher education culture in this state,” said Gary Cox, executive director of the coordinating agency that has been replaced. “Historically, the presidents of our institutions, especially UK (the University of Kentucky) have dominated higher education. This is an attempt to change the political landscape.”

If the reforms take hold, they should enhance the prestige and the independence of the University of Louisville and of the state’s six regional universities, as well as the 14 community colleges and 25 technical schools.

But the governor’s program was bitterly opposed by the University of Kentucky, the state’s flagship institution, and by many community college leaders as well.

UK President Charles T. Wethington, Jr. called the reforms “an attack on the University of Kentucky.” In a debate with Governor Patton last spring, Wethington said the plan was “fundamentally flawed” and “will hurt students the most” by placing them under a “political bureaucracy in Frankfort” (the state capital).

Wethington’s opposition was so fierce that many Kentucky political observers wonder if he can survive, now that the governor’s proposals have become law.

Patton, a 60-year-old Democrat, is an engineer (a graduate of the University of Kentucky) and a former coal company owner who struck it rich during the Arab oil embargoes of the 1970s. He was elected Lieutenant Governor in 1991, and in 1995 narrowly beat Republican Larry Forgy for the governorship.

During the campaign, Patton had little to say about higher education, so his aides were startled to find themselves drafting an inaugural speech that touted higher education as the new governor’s highest priority.

But the need was obvious. After dramatically expanding capacity and enrollments during the 1960s and ’70s, the state put its colleges and universities on starvation rations. From 1980 to 1995, state appropriations per full-time equivalent student rose only 58 percent, while inflation ran at a 94 percent clip.

Although the University of Kentucky and the University of Louisville regularly produce nationally-ranked basketball teams, few of their academic programs have attained similar stature. Graduation rates were low at many Kentucky institutions, and duplication of academic programs was common. The system was fragmented and uncoordinated. There was little cooperation among the six regional universities, nor between the community colleges and the technical schools.

“The whole system was driven by turf battles, not by state concerns,” said Aims C. McGuinness of the National Center for Higher Education Management Systems, who became the governor’s principal adviser on the reform program.

As he mulled the system’s weak coordination, poor funding, unresponsiveness to a changing economy and enervating addiction to political in-fighting, Governor Patton was deeply impressed by a single event.

In June, 1996, he hosted a ceremony for eight recent high school graduates who, primarily on the basis of their scores on college admissions tests, had been chosen as finalists or semi-finalists in the national Presidential Scholar program. Patton was shocked to learn that all eight were going out of state for college.

“He just said that shouldn’t be,” said Shireen Sinney, a former National Teacher of the Year, who runs the Governor’s Scholars program—a state version of the national competition. According to Sinney, Patton said, “We should have a research university of the caliber of the University of North Carolina or the University of Virginia. We don’t have a great private school like Duke or Vanderbilt, but the state’s going to have to do it.”

At first, Patton and his aides thought a single “super board” over all of Kentucky higher education might stop the turf wars and provide a more coherent system. But McGuinness and others argued for a decentralized system, with a “lean and mean” coordinating agency and a new financing mechanism. Eventually, the governor dropped the “super board” idea as politically unacceptable and embraced the McGuinness approach.

Governing authority was left in the hands of existing boards of trustees at the University of Kentucky, the University of Louisville and the six regional universities, but a new governing board—the Kentucky Technical and Community College System—was established to run the two-year colleges and technical schools.

It is hoped that the new, beefed-up Council on Postsecondary Education will have much more influence over higher education budgets and academic program review than the former coordinating body did.

“In the past, the council was just a col-lator of budget requests” from the various campuses, said Gary Cox, who has resigned after 11 years as executive director of the old agency. “The new board is supposed to play a major role in making recommendations that go to the governor.”

The Council on Postsecondary Education also will decide which institutions qualify for money, and for how much, from the new “incentive funds” which account for $17 million of the $40 million in new higher education spending in the current fiscal year. The incentive money is in addition to basic funding for each institution, plus cost-living increases.

The president of the new council, unnamed as yet, will be paid more than UK President Wellington, who earns $185,241 per year, and is expected to be a top adviser to the governor. But this will depend on the effectiveness of the new president and the relationship that he or she develops with the board.

Patton hopes the University of Kentucky and the University of Louisville will use money from the incentive funds to develop excellence in selected research fields, and that they will try to spread themselves too thin. A long-range goal is to place UK among the nation’s top 20 research universities (it now ranks 45th among public universities in research and development spending, according to the National Science Foundation) and to make Louisville a leading urban research university.

But only a few million dollars have been earmarked for that purpose this year, while Wethington has argued that it would take a one-time expenditure of $691 million, plus additional spending of more than $100 million per year, to achieve Patton’s goal.

University of Louisville President John Shumaker, taking a different political tack, has come up with a plan to trim some current programs and use the savings, along with private funds and the new state incentive dollars, to build a national reputation in a few selected fields.

McGuinness said the incentive funds can be used to leverage other monies, private and federal, citing the success of the State University of New York in using limited amounts of new state money to enhance the research reputations of its four doctoral campuses.

However, Patton apparently has come to realize that building excellence in research will be more expensive than he initially thought. Recently the governor acknowledged that Kentucky probably will have to plow an additional $100 million per year into higher education, on top of the $100 million increase already promised, to reach that goal.

Wethington and many others worry that Kentucky will not be willing to make this kind of long-term investment in the university. If Patton is re-elected in 1999, as now seems likely, the dollars will continue to flow for at least another four years, but what will happen when the next governor takes office?

The state’s six regional universities—Eastern, Western, Northern, Murray, Morehead and Kentucky State—are expected to experience less rapid change under the new law than either the two research universities or the community colleges and technical schools. But the financial basis for the regional campuses has been altered significantly.

Under the old formula, funding for the regional universities was “entirely enrollment-driven,” explained James Ramsey, a Western Kentucky University vice president who is Patton’s state budget director and also his point man on higher education reform. “We even were encouraged to take underprepared students, because we got more dollars.”

In the new scheme of things, Ramsey said, the only source of new state dollars will be the incentive funds that force the regional institutions to consider quality.

For example, Western Kentucky University officials might decide to seek Council on Postsecondary Education approval to use some of the incentive pool money to strengthen its already-respected photojournalism program. To do that, Western Kentucky would have to come up with matching money, either from private fundraising or by making cuts in other academic programs.

Of all the changes, the most controversial was stripping the University of Kentucky of day-to-day control of the 14 community colleges, which have provided UK with a strong base of political support throughout the state. In the past, the continued next page
Of all the changes, the most controversial was stripping the University of Kentucky of day-to-day control of the 14 community colleges.
EDITORIAL
A New National Agenda

In early 1998, the Higher Education Policy Institute will establish a national center to address public policy issues in higher education. The purpose and rationale for the new center are summarized in the white paper on this issue of CrossTalk.

This white paper is being widely circulated to encourage readers of CrossTalk and others interested in higher education to share their views on the policy issues the new center might most effectively address, the framing of those issues, and on projects and activities the new organization might undertake.

The Higher Education Policy Institute (HEPI) will be the sponsoring organization of the new policy center. The Institute was established in 1992 as a non-profit corporation for the purposes of: 1) conducting nonpartisan analyses and policy studies to evaluate higher education policy, and examining alternatives for major public, effective organization and operation; 2) identifying key higher education issues and disseminating the results of analyses and policy studies through publications and public programs to promote informed public discussion; and 3) keeping the public interest central to analyses, evaluation and recommendations.

The institute was established as a parent corporation for projects that are within its stated purposes. For the past five years, the Institute’s primary project was the California Higher Education Policy Center, which ceased operation in June 1997.

HEPI is not affiliated with, or supported by, any governmental agency or governmental institution. The new national policy center is being established with assured multi-year support from national foundations.

The Higher Education Policy Institute invites comments and suggestions on the white paper and on this issue of CrossTalk.

—Patrick M. Callan

Tuition Inflation
Insiders dominate a national commission on spiraling college costs

By William Doyle and Kristin D. Conklin

A NATIONAL COMMISSION that is dominated by college and university administrators and lobbyists is expected to report on the rising costs of higher education next month.

When Howard P. (Buck) McKeon, a three-term Republican congressman from Southern California, requested legislation creating the commission last spring, he noted that tuition at four-year public colleges and universities had increased by 234 percent between 1981 and 1995, while median household income rose only 82 percent.

“Parents, students and policy makers must work together with colleges and universities to slow tuition inflation, or the American Dream is in jeopardy,” said McKeon, who heads the House Subcommittee on Postsecondary Education, Training and Lifelong Learning.

He proposed a seven-member commission including people from outside higher education “with expertise in the management of business efficiency and cost reduction programs.”

By the time Congress approved the National Commission on the Cost of Higher Education last summer, however, its membership had swelled to 11 and the inclusion of non-college representatives requested by commission members, and they have increased at a much faster rate than the consumer price index.

For example, Commission Chairman William Troutt is president of Belmont University, a 3,000-student institution in Nashville, Tennessee, where tuition and fees have increased 139 percent over the last decade, from $4,200 in the 1988-89 academic year to $10,050 this year.

Average annual charges have doubled in the last ten years, from $8,018 to $16,188, at the 55 schools belonging to the Association of Independent Colleges and Universities of Massachusetts, whose president, Clare Cotton, is a commission member.

“On the whole, the American higher education system is the best in the world and that is why it is so costly.”

—STANFORD UNIVERSITY PRESIDENT GERHARD CASPER

Student fees have risen from $684 to $1,584 per year since Commission Barry Munitz has been chancellor of the 22-campus California State University system. And fees have jumped from $1,662 to $3,744 per year in the last decade at the University of Missouri, St. Louis, where Commissioner Blanche Touhill is chancellor.

However, tuition and fee increases have been modest at York College, a liberal arts school in York, Pennsylvania, where Commissioner George Waldner has been president since 1991. Charges were $3,596 in 1988-89 and $3,900 last year.

At the commission’s first meeting in Washington, D.C., in September, William F. Massy, emeritus professor of education at Stanford University, told the group not to spend much time worrying about high costs at major research universities like Stanford.

“There is not much you can or should do about this segment of the market with regard to public policies for price or cost,” Massy said. “These institutions provide the best research and are important conservatories of culture.”

According to Massy, the commission should concentrate, instead, on the “generic” and “convenience” institutions, which enroll most of the students. He urged the commission to recommend financial incentives for faculty members at these schools and to advocate revision of state laws requiring them to spend 10 percent of their budgets on teaching and learning and not to research.

In October, the commission met at Stanford University, where President Gerhard Casper complained that government over-regulation was an important cause of rising campus costs. Casper said seven and one-half cents of every Stanford tuition dollar are spent on meeting federal and state regulatory requirements, many of which he called “excessive.”

When Munitz asked Casper to provide a message for the American people, the Stanford president responded, “On the whole, the American higher education system is the best in the world and that is why it is so costly.”

So far, the commission has received many explanations for inflated higher education charges, but has heard little testimony from those who have succeeded in trimming costs. For instance, Illinois, Oregon and South Dakota, among other states, have implemented plans to eliminate low-enrollment and duplicative academic programs, but no one from those states is scheduled to speak to the commission.

Commissioner Waldner has tried to focus the group’s attention on the problem of low institutional productivity, with little success. At the October meeting, President Robert Caret of San Jose State University said public concern over high tuition was justified because of the widening gap between stagnant personal incomes and rising college costs.

For the most part, however, the commission’s deliberations have focused less on finding ways to reduce student charges than on persuading the public that the problem does not exist.

At the first meeting, Chairman Troutt asserted, “We’d like to try to help people understand what the prices and costs really are, as opposed to a media portrayal. What people don’t understand is that 80 percent of students pay less than $5,000 in tuition.”

And Commissioner Robert V. Burns, a political science professor from South Dakota State University, said, “Maybe the problem we need to address is not rising costs but learning to cope with increasing tuition prices.”

One of the commission’s purposes is to clarify sometimes misleading media portrayals of the high-tuition problem, staff director Bruno Manno said in an interview.

After three more meetings—in Boston, Nashville and Washington—the commission is expected to submit a report to Congress by December 11.

However, at the October meeting several commissioners expressed alarm at the group’s lack of progress to date, and suggested that a deadline extension might be sought.

Six members of the commission were appointed by Senate Majority Leader Trent Lott and House Speaker Newt Gingrich, both Republicans. Four were named by the Democratic minority leaders of the Senate and House. The 11th commissioner was selected by Secretary of Education Richard W. Riley.

The commissioners are:

• Martin Anderson, a former policy adviser to Presidents Nixon and Reagan and now a fellow at the Hoover Institute
• Jonathan Brown, president of the Association of California Independent Colleges and Universities
• Robert V. Burns, professor of political science at South Dakota State University
• Clare Cotton, president of the Association of Independent Colleges and Universities of Massachusetts
• William D. Hansen, executive director of the Education Finance Council and an association of non-profit agencies that buy student loans from banks
• Walter Massey, president of Morehouse College
• Barry Munitz, chancellor of the California State University system
• Frances Norris, vice president of the Dutko group, a lobbying firm
• Blanche M. Touhill, chancellor of the University of Missouri, St. Louis
• William E. Troutt, president of Belmont University
• George Waldner, president of York College.
A NEW NATIONAL CENTER
EXAMINING THE DRAMATIC CHANGES THAT
HAVE TAKEN PLACE IN RECENT DECADES
AND THE CHALLENGES TO COME

By Patrick M. Callan

THE WORLD OF PUBLIC POLICY in higher education has changed dramatically since the earlier national policy debates in the 1960s and 1970s. And it is still changing. What are the public purposes of higher education in America? What does American society need from higher education? What will it need ten or 20 years from now?

These are the overarching questions that state and federal policies must address. Shared assumptions about the purposes of colleges and universities have diminished. Although there is little agreement on what the national agenda for higher education should be, colleges and universities remain the major resources for the transmission, preservation and creation of knowledge in America’s increasingly knowledge-based society. The transcending questions of purpose are complicated by contextual conditions in the public policy environment, including:

VOLATILE FEDERAL-STATE RELATIONSHIPS

The intensifying debate about the respective roles and responsibilities of federal and state government has direct and indirect implications for higher education. For instance, even if the major federal roles in research and student financial assistance are retained, what will be the impact of federal “devolution” of costly programmatic responsibilities for health and welfare to the states? How might that affect the future of state funding and support of higher education? These and related issues have seldom been raised explicitly in the recent debates about state and federal roles.

HIGHER EDUCATION AND SOCIAL STRATIFICATION

Evidence is accumulating about income inequalities in America; about the contrasting life expectations of those with college degrees and those without; and about the differing prospects of those who have access to knowledge in a knowledge-based economy and those who do not.

A college degree no longer guarantees the probability of a good job or a place in the middle class, but it still gives its holder a place in line for one. In the new, global, information-based economy, however, those without formal education or training beyond high school are not even in the line. For individuals and society, the development of human talent is more critical than ever to opportunity, social mobility and national productivity. State and federal policies must assure this development.

INCREASING ENROLLMENT DEMAND

After more than a decade of relative stability, the nation’s high school graduating classes will begin to grow dramatically in the late 1990s, and will continue to grow at least until 2009, for the prospective students are already born. More than 3 million young Americans will graduate from high school in the spring of 2008, contrasting with 2.5 million in 1992.

Growth will vary across the states. A few will experience declines, but others will have dramatic increases: California, more than 50 percent; Florida, more than 70 percent; and Nevada, more than 200 percent. Moreover, the next generations of high school graduates will be far more ethnically heterogeneous than in the past. As with enrollment demand, the extent of ethnic and cultural diversity will differ among the states, and will be largely influenced by immigration patterns.

This tidal wave of potential college students is now progressing through the nation’s elementary and secondary schools, but only recently have its implications for college opportunity been raised by policy leaders.

NECESSITY FOR COST CONTAINMENT

The last major expansion of higher education responded to the baby boom cohort, and took place during a time when public budgets were rapidly growing. The next dramatic increase in student numbers, however, will occur at a time of projected federal and state fiscal constraints and of growing public resistance to high tuition.

At the state level, fiscal trauma in the early 1990s had long-term implications. A report on state expenditures in the 1990s from the Center for the Study of the States identified the major shifts in state expenditures that had occurred between 1990 and 1994. The report pointed out that higher education was the big loser in the battle for state resources, its share falling from 14 to 12.5 percent of the total, as many states substituted tuition for state support.

Robert H. Atwell, former President of the American Council on Education—the nation’s leading advocacy group for higher education—has warned that higher education should not expect to increase either its current share of the Gross Domestic Product or its share of state or federal funding until some time beyond the year 2010.

With respect to a major federal role, the support of university research, the President’s Council of Advisors on Science and Technology acknowledged in its 1992 report that, “It is unreasonable to expect that the system of research intensive universities will continue to grow as it did during the periods in the 1960s and 1980s.”

In this difficult financial context, both federal and state governments will be forced to revisit their policy commitments to instruction, research and public service—the broad array of the benefits of educational opportunity beyond high school.

EROSION OF CONSENSUS ON FINANCIAL SUPPORT

Earlier national consensus on the allocation of financial responsibility for higher education has eroded substantially. There is little agreement on the appropriate contributions of state and federal governments, students and families. In the 1980s and 1990s, without any explicit policy debate, the nation drifted into a national policy of heavy reliance on student debt financing of college. The escalating costs of higher education, the financial pressures on government, and the economic distress of lower income Americans require rethinking higher education finance.

The demands of the economy for more educated citizens contrasts with the growing difficulty of access to, and the higher costs of, college. A national debate on higher education finance seems required, one analogous to those of the 1970s, debates that were stimulated by, among others, the Carnegie Commission on Higher Education and the Committee for Economic Development.

An important first step toward such debate was made when 28 state and higher education leaders from 17 states met in June 1996 to examine the future of higher education finance.

GROWING CONCERNS ABOUT QUALITY

Although access and cost appear to be the public’s main concerns, those who are most supportive of higher education’s purposes and most knowledgeable about its functions are increasingly critical of how well it works. Interviews and focus groups with leaders in communities across America show a concern about the educational effectiveness of colleges and universities.

In the early 1990s a prestigious national panel on higher education, the
Wingspread Group, asserted that “the simple fact is that some faculties and institutions certify for graduation too many students who cannot read or write very well, too many whose intellectual depth and breadth are unimpressive, and too many whose skills are inadequate in the face of the demands of contemporary life.” The report went on to say, “too much of education at every level seems to be organized for the convenience of educators and the institutions’ interests, procedures and prestige, and too little focused on the needs of students.”

Whether accurate or not, the prevalence of concern would seem to require measures to assure the public of the quality of higher education offerings. Although public policy does not—and should not—specify the content and design of instructional programs, it does play a major role in the recognition and support of quality assurance mechanisms, including accrediting agencies and licensure examinations in professional fields.

INTEGRATING TECHNOLOGY IN HIGHER EDUCATION

Technology has already revolutionized research, and has had a major impact on college and university administration. The questions are whether and how technology can enhance quality and access, and can reduce costs to raise the productivity of higher education. And what will be the impact of the growing facility with which teaching and learning can now cross state boundaries?

Colleges and universities have been slow to explore and capitalize on technology’s potential, perhaps to their own ultimate disadvantage. A recent symposium on restructuring higher education warned of the dangers of educational obsolescence and competition: “Institutions that neglect technology will run the risk in the future of being marginalized in favor of educational systems that more effectively serve a generation of learners accustomed to the benefits of ubiquitous computing and communications... Outsiders will use information technology as a lever to pry open a market that heretofore has been the exclusive domain of colleges and universities...”

Ironically, the same faculty members who are fighting against any substitution of information technology for their laborers may find themselves blindsided down the road by a much greater force that simply eliminates their institution altogether.

A strength of American higher education is that college and university operations are not centrally managed by state or federal governments. Yet public policy has played, and continues to play, a major role in shaping the responses of the higher education enterprise to public needs. It is not the only factor—market forces and the decisions of individual public and private institutions and non-governmental patrons also are on the stage.

About 78 percent of college students are in public colleges and universities—stitutions created by, and financially reliant on, state and local governments. Government provides 51 percent of the financial support of public colleges and universities and approximately 17 percent of the support of private ones, accounting overall for approximately 38 percent of total financial support. Student financial assistance to students attending public and private institutions provided by federal and state governments exceeded $50 billion dollars in 1995–96.

State governments determine the governing structures of public higher education, and some states have established mechanisms for coordinating public and private higher education. Historically, public policy has been critical during the major transitions that have shaped modern American higher education—that is, the creation of land grant universities in the nineteenth century; the development of the American research university; the establishment of community colleges; and the GI Bill and the post-World War II expansion of access and participation.

Public policy was a major factor in setting the course of colleges and universities in the past. It will be a major factor impeding or supporting American higher education’s response to public needs in the future.

A NATIONAL POLICY CENTER

The nation lacks an independent policy forum for orderly examination of these complex elements of long-term change and uncertainty. The national policy center, to be established in early 1998 by the Higher Education Policy Institute, will have two closely related and central missions:

1) The center should conduct public policy research and studies in areas relevant to the higher educational needs of the nation over the next 15 to 20 years.

2) The center should stimulate public discussion and debate around the key higher education policy issues that face state and federal governments and that influence the current and emerging relationships of higher education and American society.

The national center will be a public forum for policy analyses, and for the engagement of leaders from within and outside the education establishment with the role of public policy in American higher education. The center will frame the issues that it addresses from the perspective of the “outside looking in.” This perspective will allow it to articulate the broad public interest and public policies that will best enable higher education to respond to societal needs and changes over the long term.

The national center will focus primarily on the “public policy infrastructure” of higher education—that is, on such questions as: Who is, and who should be, served by higher education? How do, and how should, public subsidies, federal and state financing mechanisms and state organizational and decision-making structures encourage or impede colleges and universities in serving the public purposes of higher education?

Public policies, including those controlling governance and finance, are means and not ends for achieving educational and societal purposes. For this reason, these purposes must themselves be made explicit, refined and, perhaps, redefined as part of the policy analysis and public discourse.

It is essential that the center have the dual missions of policy analysis and public discourse. In earlier times, a general consensus in the states and in the nation allowed those concerned with public policy to direct their studies, analyses and recommendations to a relatively narrow audience—that is, to state and federal officials and to leaders of higher education. Public support for the actions of government and higher education were assumed as given. But the broad, implicit consensus on critical aspects of higher education has eroded. For example:

- Public opinion research commissioned by the American Council on Education and the California Center in recent years found broad, but not deep, support for higher education. They found the general public fixated on issues of access and opportunity while, at the same time, opinion leaders were highly skeptical of higher education’s effectiveness, organization, financing and costs.
- A recent study of higher education finance in the 1990s by the California Center included national trends and case studies of five states. It found a pattern of “policy drift” at the state and federal levels: Without explicit policy debate, the federal government has backed into a national financial aid system dominated by student borrowing, and the states have shifted costs from the public to students and families.
- Systemic changes in the public finance of higher education are occurring—often in response to short-term budgetary and political circumstances—without analysis or deliberation of the cumulative effects of these changes on the capacity of higher education to meet state and national needs.
- Population growth and demographic shifts in almost half the states will place major demands on the capacities of states to maintain or enhance the level of opportunity beyond high school that has been available since World War II. State and federal financial constraints and the costs of maintaining current institutional and programmatic commitments render the accommodation of additional enrollments problematic.

Yet few states have addressed the policy implications of the nation’s changing demographics; even fewer have policies and strategies in place to meet the challenges to opportunity that demographic change will pose. An independent organization can play a key role in stimulating policy attention to these issues. In California in the early 1990s, the issue of imminent enrollment demand was forced into public discourse by RAND and the California Center.

- Whatever general consensus may have existed in earlier decades about fairness in allocating responsibility for paying for higher education—across generations, among individuals, government, institutions and families, and between state and federal government—that consensus has substantially eroded.
- The recent debates on proposed federal finance initiatives reflect major differences over the targeting and the form of new federal subsidies, even among those who agree on the desirability of additional federal investment.
It may be argued that the erosion of consensus and the fragmentation of opinion is simply an aspect of the general distrust of institutions that emerged during the recent past, and not directly attributable to any failings of the colleges and universities.

Nevertheless, governmental and higher education policy leaders can no longer unilaterally decide what is best for America’s colleges and universities. It is not a question of whether their decisions are appropriate or correct. As the century closes, the real question is whether any decision of substantial import for the long-term health of higher education and for the benefit of the public can be made and implemented without more explicit public support than was needed in the past.

To put it another way, policy studies and analyses are essential, but they alone will not solve the problems that higher education faces. Today, the analyses and their panoply of recommendations and options must be tested and refined by public debate, discussion and participation.

As an independent and objective policy organization, the national center will help overcome three problems that hinder the advancement of policy alternatives and informed public discussion of them.

First, both educational and governmental leaders tend to apply a very short-term perspective to the “future” of higher education. For many public officials, term limits and the volatility of political careers cloud a long-term perspective. Many educational leaders, perhaps understandably absorbed in financial crisis management, tend to focus heavily on short-term budgetary issues. Today’s operating crises and tomorrow’s elections too often take precedence over long-term policy issues. The result: short-term, “Band-Aid” solutions, and inadequate attention to long-term policy issues of great importance.

Second, policy research in higher education has been a neglected field over that last decade and a half. With a few exceptions, little work is being directed to the issues of national policy that America will confront over the next two decades. Most policy analyses come from partisan political sources or constituency-based educational organizations. Existing public agencies and educational, professional and political associations have immediate institutional agendas that, however legitimate, usually narrow or defer consideration of fundamental policy issues.

Third, despite their magnitude and complexity, long-term policy issues lack a forum or process for sustained national debate on the purposes and performance of higher education and its role in America’s future. The public interest perspective, a view that encompasses the entire country and its citizens, present and future, is frequently underrepresented in policy deliberations.

An independent national policy center can have a long-range perspective, can marshal the intellectual capacity for the work at hand, and can be a forum for debate in which the public interest will be represented. The center will seek to become such a forum by reaching out to four audiences. These efforts will be selective or inclusive, depending on the issues and the nature of the activity. The four audiences are:

- The ultimate audience of the national center will be state and federal policy makers.
- An essential audience will be public opinion leaders and major business and civic leaders who are concerned with higher education, and whose words and actions influence elected leaders or the public or both.
- An essential audience will be the media. Public policy formulation requires an informed public, and the press, television and radio are critical tools for reaching both the public and their elected representatives.
- Higher education leaders, senior administrators, key faculty members and trustees also will be an essential audience, for they can bring intimate knowledge of the realities of institutional operations. Public policy needs the information and perceptions that higher education leaders have, and, for these leaders, participation will temper the almost unavoidable institutional status quo milieu in which many operate.

The national center’s publications should reach all of these audiences on a continuing basis and will be designed to be accessible to a broad audience. Symposia, forums and surveys should reach them selectively as dictated by particular policy studies. The center’s approach will be broadly inclusive, but not fragmented. It can adequately serve the public interest only if it engages the key societal and institutional leaders who are concerned with the future of higher education.

MAJOR THEMES AND CORE ACTIVITIES

The national policy center’s agenda and work plan will be organized around a number of broad themes. Some themes derive from the conditions in higher education’s current environment; others would be present in any context. These themes will be the pervasive and recurrent guides for the center’s work, although not necessarily the subjects of discrete projects or reports.

Three, in particular, will be of continuing attention: the costs and benefits of higher education; statewide governance of higher education; and the public purposes of higher education.

THE COSTS AND BENEFITS OF HIGHER EDUCATION

The most recent intensive national debate on this issue occurred in the late 1960s and early 1970s. The center will revisit the Carnegie Commission’s classic formulation of the core finance issues: “Who pays? Who benefits? Who should pay?” The late 1990s iteration, however, must go well beyond the allocation of financial responsibility, and must give greater attention to the appropriate costs of higher education and to the mechanisms of support and public accountability that are most consistent with achieving public purposes.

A national roundtable on the public and private financing of higher education was convened by the Pew Higher Education Roundtable and the California Center in 1996. Its major purpose was to work out a national policy agenda on higher education finance, and it posed a number of important questions about higher education finance policy for the late 1990s, including:

The Roundtable also raised issues of privatization of institutions and functions, and of whether performance outcomes would better assure public authorities of “fair value for their investments in higher education.”

• The Roles of State and Federal Government. In what ways should the relationship of government to higher education change in response to changing public needs? What should be the relationship between federal and state funding of higher education?
• Access to Opportunity. Is there a more cost-effective way to provide access to quality in an era of greater constraints on public funding? To provide continued access to quality, what funding mechanisms would optimize public and private investments in higher education?
• Tuition and Student Aid Policy. What objectives should guide policies for setting tuition—in state legislatures as well as institutions? What mixture of tuition and financial aid will assure broad access?
• Technology and Market Forces. How can public policy or public investment work most effectively in conjunction with market forces to ensure that technological advances produce real enhancements of learning? Under what circumstances are public agencies likely to be more equitable than the market in distributing access to, or funds for, technology?
• Linking Funding to Performance. To what degree should the funding of higher education be tied to the performance of either institutions or students? Can linking dollars to outcomes help colleges and universities overcome their seeming inability to realize productivity gains?

STATEWIDE GOVERNANCE OF HIGHER EDUCATION

Recent reorganization of state higher education systems in several states, including New Jersey, Minnesota, Alaska, Montana, Kentucky and Illinois indicate that the interest of governors and legislators in higher education governance remains high.

There has, however, been no apparent pattern to these reorganizations. Nationally, state governing structures appear to be unstable, and there will be a continuing need for policy frameworks and structural options that may assist state policy leaders in their search for constructive change.

The public interest perspective, a view that encompasses the entire country and its citizens, present and future, is frequently underrepresented in policy deliberations.
The California Center has recently completed, with support from the Pew Charitable Trusts, a seven-state study of the organization of higher education beyond the campus level. The study included the decision-making roles of governors and legislatures. The project differed from earlier governance studies in that its primary focus was on the influence of governance structures on the achievement of state priorities, as opposed to the traditional emphasis on institutional autonomy vis-à-vis state authority.

A policy commentary based upon this research will raise key policy questions about state governance, and offer a possible, conceptual framework for assessing the influence of organizational structure on the achievement of state priorities. The national center will continue to develop and refine a policy framework for addressing state level governance, testing it beyond the original seven states, and examining states where major structural changes have occurred.

**The Public Purposes of Higher Education**

All major public policies contain implicit or explicit assumptions about public purposes. Many public policy debates over governance and finance are, in part, proxies for disagreements about purpose. More explicit discussion about public purposes is a necessary condition for more focused policy.

Issues of public purpose are not just internal to higher education, but encompass the role of higher education in society. A conversation about purpose, therefore, needs to include the views and perceptions of many people: the general public; opinion leaders in the civic, business and government sectors; and higher education leaders, including administrators, faculty and trustees.

As part of its work, the center will rely on several methods of public opinion research to understand systematically the diverse views of these groups. By engaging representatives of these groups in policy deliberation, the national center will gain insight into the development of what Daniel Yankelovich termed “public judgment,” in the area of higher education policy.

To foster constructive change through its public policy perspective, the national center should have the capacity to:

- Refine and advance the national policy agenda, continuing identification of the crucial national policy issues facing American higher education, and framing and articulating them from a broad public interest perspective.
- Publish readable and incisive policy studies and commentaries to raise policy issues, to examine alternatives, and to analyze choices.
- Convene seminars and symposia on key policy issues to involve higher education, government, and business and civic leaders as well as scholars and experts.
- Stimulate public and media discussion and debate of key policy issues.
- Be an authoritative source of information, commentary and analysis for policy makers and for the media.
- Develop, through its activities, new professional and lay leadership in higher education policy.
- Utilize targeted public opinion surveys and focus groups at national, regional and state levels to understand public values and perceptions.
- Issue a quarterly policy publication modeled after the California Center’s CrossTalk to report important policy developments.

The national center will take a thematic approach to policy studies. The project on public and private finance of higher education is an example of how the California Center implemented this type of approach. The Center began by identifying important issues related to a theme, then organized activities around those issues, and ultimately developed policy products as a result of the various activities.

The Higher Education Policy Institute invites comments about this paper.
As a former governor, I recognize that politics will always influence board appointments to some degree. However, there is an emerging public perception that some governors and legislators have thrown all the weight on political alliances and support. They ignore the need for an honest commitment, some knowledge of the complicated issues facing higher education, and loyalty to an institution.

Recently I served as chairman of a 22-member national panel of leaders in education, business, government, and the media that focused on leadership in higher education. The Commission on the Academic Presidency, sponsored by the Association of Governing Boards of Universities and Colleges, concluded that board members by acting on the basis of politically expedient, short-term objectives, seriously undermine college and university leaders’ ability to establish institution-wide priorities. The problem is particularly acute for presidents.

Torn between allegiances to the board, to state policy makers, to the faculty, alumni and new business interests, the college presidency is more politicized than ever before. Presidents represent the core of the institution. They must position their institutions for success in a competitive marketplace, ensuring that costs do not exceed income. More than any other campus leader, they are responsible for crafting and implementing a strategic plan for the overall institution.

When solely political agendas emerge from the board and interrupt this careful planning, the institution’s health and well being may be put in jeopardy.

Politics also motivates higher education’s system of shared governance. As suggested in the media in Virginia this year, boards are sometimes directly guided by a political agenda separate from the stated long-term goals of the university. And within the unique structure of shared governance, even aside from any partisan politics, the president often finds himself or herself negotiating between two very different cultures: the board’s business-minded, bottom-line orientation and the faculty’s thorough study and consultation approach to decision making. The president may be forced to work at the center of acrimonious relations when shared differences of opinion arise over policy decisions.

The Commission on the Academic Presidency found that a president needs trustees to serve as advocates and supporters of the president’s vision, strategy and efforts on behalf of the institution. The president needs a board that will work to better inform itself not only about funding and cost issues, but also about academic programs and their quality, efficiency and affordability.

The board, working with the president, should be actively involved in developing goals that reflect a clear sense of institutional direction and priorities. Shared governance should unite the board, the president, faculty members and elected policy makers around common objectives for ensuring the future of higher education and of future generations. Policymaking based on ephemeral political agendas and patched together in partisan battles should have no place in higher education.

Who wins these battles? That is not always clear, for the public perception is that politics often can blur the image of winners and losers in such struggles. In the end, however, the only winners should be the students and the citizens of the state, who depend on higher education for their economic productivity and for the future leadership of this society. ♦

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Across the nation, the arctic winds of partisan political agendas are blowing across the campuses of higher education.
Public University Trustees

The “passive culture” of governing boards
By Phyllis M. Krutsch

Many trustees are simply unaware of the sweeping nature of their governance responsibilities.
A Complex Relationship

State coordination and governance of higher education

By Aims C. McGuinness, Jr.

How to shape the structures and policies for an increasingly market-driven, technology-intensive postsecondary education system will be one of the most important challenges of the next decade. Other challenges that today are testing state structures will likely continue well into the next century; the instability in state government leadership, a weakening consensus about the basic purposes of public higher education, and growing political control and ideological involvement in state coordination and governance.

It is time for states to step back and examine the relevance for the next century of structures formed for an earlier time. Some structures are still relevant. Others have long outlived their usefulness.

Governing boards of public institutions were modeled after the lay boards of private nonprofit colleges and universities which, in nearly all instances, govern single institutions. Perhaps for this reason, many people retain an impression that the pattern of a single board for a single institution is dominant in American public higher education.

In reality, 65 percent of the students in American public higher education attend campuses that are elements of multi-campus or consolidated systems of multiple campuses all under a single governing board.

“Statewide coordination” is the term commonly used to describe the formal policies and other mechanisms that states employ to ensure that their postsecondary systems are aligned with state priorities and together serve the public interest. Coordinating functions have evolved over the years as the public’s expectations of postsecondary education have changed and as the underlying philosophy regarding the role of government has changed.

There are fundamental differences, for example, in the philosophical underpinnings of governmental policy between the 1960s and early 1970s, when many states established new postsecondary education structures, and the period of the 1980s and beyond, when centralized, rational planning and management approaches were displaced by more market-driven “strategic investment” approaches.

In the decade of the ’80s, the roles of state higher education boards shifted in fundamental ways as governors and legislators took far more aggressive positions regarding the quality of higher education. The call for reform added new responsibilities to state boards and, as a consequence, heightened the potential for state/institutional conflict.

continued next page
State coordination of higher education is the most complex, difficult balancing act in state government.

From preceding page

The policy environment changed dramatically by 1990. As the economic crisis of the late 1980s intensified, state leaders added a new urgency to questions about the performance and productivity of higher education. The recession period of 1989 to 1991 became a key turning point for the state role in higher education. In these new conditions, many initiatives enacted just a few years before changed direction or were put on hold.

As states slowly emerged from the recession, they entered into a new period of uncertainty in terms of their relationships with higher education. New policies began to emerge, accompanied by a new and more penetrating questioning about the underlying efficiency of the postsecondary enterprise. Questions about faculty workload and faculty commitment to undergraduate teaching dominated legislative agendas. And states showed a new willingness to pursue aggressive policies, including the establishment of systems of “performance indicators” and new financing policies that allocated a portion of state funding based on performance.

The 1994 midterm elections changed the political landscape, adding further uncertainty and instability to already tense relationships between states and higher education. State coordination was made more challenging by the election of governors and legislators with more conservative views about the role of government and education, by the changes in legislative control, and by the success of state referenda or initiatives to limit taxes or change policies.

At first glance, the changes of the 1991–97 period appear to be a series of unrelated, disparate actions reflecting the politics and unique circumstances in each state. A closer examination, however, reveals several common themes and issues. The scope and intensity of the changes across the states suggest that new and deeper forces also are at work.

Instability in state government leadership.

State coordination, as it evolved in the mid-1900s, presumed a degree of stability in the structure and leadership of state government. One could easily identify a small number of key leaders in each state who were responsible for shaping the structures established in the 1960s and 1970s. The continuing success of the structure depended on the ability of these people to remind each generation of political leaders about why the structure was formed and the basic values that should guide state-institutional relationships.

Today, few of those who shaped the current structures are around. Many have passed away. Others have retired from public life or have been swept out of office by the drive for term limits and the shift in political control. The extent of political turnover following the 1994 midterm elections led to the quip that, “Representing higher education to the state Legislature is like making a speech to a parade.” A broader public questioning of representative government underlies the public pressure for term limits, for restrictions on the length of legislative sessions, and for initiatives and referenda.

All these changes make the task of developing a constructive relationship between the state government and higher education far more complex and problematic. To the extent that the public sees state higher education agencies as “just another element of the state bureaucracy,” the agencies are vulnerable to the same disdain as government overall.

A weakening consensus about the basic purposes of public higher education.

In the 1970s and 1980s a remarkable consensus existed across political parties and states about the basic goals of public higher education systems. In most master plans one could find references to a common set of goals. Most referred to access and economic development and the well-being of its citizens. This consensus about purposes and values is quickly disappearing. The major trend in state policy since the early 1980s has been to emphasize outcomes, assessment and links between higher education and the economy. Now, political controversies about outcomes-based education and “school-to-work” programs in K-12 reform are spilling over into debates about higher education policy.

Growing political control and ideological involvement in state coordination and governance.

The previous two issues are undermining the credibility of state boards as sources of independent, objective analysis and policymaking. A state board’s strength can be measured, in part, by its ability to develop a consensus among the state’s leadership around a long-term agenda. It can also be measured by the board’s ability to sustain that agenda over several political cycles.

In the past decade, several states modified their structures to give governors a more direct role in appointing either the state board chairs or the executive officers. The price for increased responsiveness in the short-term, however, is the potential for a high degree of instability as political leaders and priorities change.

Trend toward boards dominated by representatives of internal constituencies and a decline in “lay” membership.

Impact of an increasingly market-driven, technology-intensive postsecondary education system.

There are a number of characteristics of the evolving system that are straining current structures. Changes in the way higher education is delivered will require a fundamental rethinking of traditional state higher education board functions.

It will be difficult to assign missions, identify unnecessary duplication or approval programs based on geographic service areas. Funding policies based on credit-hour production, and quality assurance measures based on traditional institutional characteristics and accreditation will not longer be feasible. Data and reporting systems that assume that most students attend only one or two traditional institutions will be obsolete.

These several issues exemplify the kinds of challenges that will face states well into the next century. As emphasized at the beginning of this essay, these problems will require fundamental rethinking about state structures and about state policy as a whole.

State coordination of higher education is the most complex, difficult balancing act in state government. There are no simple answers, no absolutes. While lessons can be drawn from other states, there is no perfect model. Conflicts are the reality. The challenge is to resolve those conflicts as close to the operating level (e.g., at the campus level or through cooperation among campuses), and as close to the real problems, as possible.

Once issues rise to the level of the governor and legislature, political as opposed to educational values tend to dominate the debate. Finally, what worked at one point, with one set of actors, may not work at another point.

Systems designed for an earlier time are unlikely to be adequate for the challenges of the next century.

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two suddenly ascendant Republican leaders—Pataki and New York Mayor Rudolph W. Giuliani—is charting a new activist course. The new board members see themselves not as part-time advisers for the institution, but as full-time house critics and internal auditors who must raise academic standards and save taxpayers money.

“I’m a workhorse,” said Paolucci. “I’m putting in full weeks, and many board members are working two or three days a week for CUNY. If I appear to be the chancellor, it’s only because, in a way, we’ve been without a chancellor or a direction for some time now.”

CUNY certainly has no shortage of problems. The system’s four-year graduation rate is less than ten percent. Serious questions have been raised about the effectiveness of its remedial programs, which are required by more than half of all entering students. Graduates of CUNY’s education schools, which produce the majority of New York City public school teachers, are consistently the worst performers on state certification exams.

But in its early stages, the board’s fierce activism seems to have paralyzed the institution. Afraid to offend Paolucci, administrators and faculty have put new initiatives on hold. “I’ve been telling my faculty colleagues not to propose a new course or curriculum change for at least the next year,” said Sandi Cooper.

The board’s critics say, with considerable evidence, that the new Republican trustees are too close to New York politics to have any credibility as reformers. And Paolucci, who was named to the National Council on the Humanities by President Bush, says, is the new board’s efforts, grounded in the university, Republican appointees to CUNY, and to the board of trustees of the even larger State University of New York system, say they want to save taxpayers’ money while providing a more traditional education in Western thought.

At CUNY, some board members even were recommended by 1990s policy of open admissions, the university’s most sacred cow. “Is it realistic for everyone to be able to go to college?” Paolucci asked. “I’m for access, but within the bounds of what is financially reasonable.”

Such talk is relatively unfamiliar in this liberal city. But it has long been standard fare at two conservative groups—the Manhattan Institute (the think tank from which Pataki drew his lieutenant governor) and the upstate anti-tax lobby Change-NY—that suddenly find themselves at the forefront of higher education policymaking here.

Candace de Russy, a friend of Paolucci’s and a founder of Change-NY, has emerged as the leading conservative light on the SUNY board. Peter Salins, a Manhattan Institute fellow who was hired by CUNY to fill a SUNY position, is also at tacking conditions when Paolucci and the CUNY board pick a new chancellor next year.

The colleges that make up CUNY have a proud history of educating New York City’s poor. For more than a century, City College, CUNY’s 150-year-old flagship school, offered a free, first-class education to anyone who performed well in high school. Thousands of immigrants, many of them Jewish, accepted the offer, with startling results. According to a recent Standard and Poor’s survey, more than one in four corporate executives received their degrees from CUNY than from another university. (Yale ranks second.)

But the faculty eventually rebelled against what they believed was over her academic planning effort, which led to the consolidation of dozens of programs and the laying off of tenured professors. In 1995, the union and the faculty senate brought a lawsuit in an attempt to stop the cutbacks, but Reynolds prevailed. The chancellor takes credit for closing 150 programs while creating 60 new ones.

The cuts saved money at a time of cutbacks in state aid to CUNY, but Reynolds acknowledges that the institution suffered. Class sizes are 20 percent higher than in 1994. She is frequently out of her seat by 16 percent in her tenure, and nearly half of all credits are from courses taught by adjuncts. Although the chancellor’s strong lobbying in Albany forestalled some cuts, even her Democratic allies in the state capitol agreed to hike tuition, which doubled during her tenure, to $5,200 a year.

All of this, combined with Reynolds’ management style, earned her the lasting enmity of the students, faculty and some college presidents. Stories spread of her problems retaining secretaries. Students who tried to approach her found her stand-offish. In the faculty senate, said Queens College sociology professor Dean Savage, “her conduct could be outrageous. She would become very rude and humiliate professors who asked questions she didn’t like.”

When W. Ann Reynolds left the California State University system to become CUNY’s chancellor in fall 1990, she says she was as inspired by her new university’s historic mission as she was frustrated by the poor preparation of its students. A no-nonsense administrator who likes one-page memos, Reynolds moved quickly to improve academic standards and cut costs with little deference to students or faculty.

She launched the College Preparatory Initiative, which requires students to take certain academic classes in high school to be able to enroll in one of CUNY’s four-year senior colleges. (All high school graduates are still entitled to attend the university’s two-year community colleges.) And she limited remediation for senior college students to two semesters; anyone who needed more would be kicked back to the two-year schools. These reforms were heavily criticized for limiting access to CUNY’s best senior colleges, though they also seem to be producing better prepared freshmen. To this day, however, many CUNY students consider Reynolds unacceptably conservative.

At first, faculty members were excited by Reynolds’ efforts to boost research. She pulled strings to create new cooperative research programs funded by CUNY and private companies. And she won $75 million in government grants for research in math and science. To those who criticized her for serving on four corporate boards (work that reportedly pays her more than $100,000 a year), she explained that she exploited her board service for CUNY’s benefit.

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“I believe she was a good chancellor,” said Silvio Torres-Saillant, a friend of Reynolds who directs the CUNY Dominican Studies Institute. “But by 1996, she had managed to alienate the whole institution.”

Except the board. Even when under attack by everyone else, the Democratic appointees who led the board backed the College Preparatory Initiative, and later academic planning. Reynolds carefully cultivated trustees, particularly the chairman James Murphy and vice chairwoman Edith Everett, and stage-managed the monthly meetings.

So when the political sands shifted in February, and the board’s leadership turned Republican, Reynolds had no constituency to fall back on. Between 1995 and 1997, she went from being criticized by faculty and students for cutting costs and imposing higher standards, to being lambasted by new board members who believed she had not done enough of either. Said Torres-Saillant: “She was accused by CUNY faculty of doing what the new board of trustees accused her of not doing.”

During Governor Pataki’s successful campaign to unseat Mario Cuomo in 1994, it was SUNY, but not CUNY, that drew his ire. As a state senator from Peekskill, Pataki had long complained that SUNY schools spent too much to provide an education inferior to that offered by New York’s private colleges.

Pataki, who declined to be interviewed for this story, can appoint only ten of CUNY’s 16 voting board members (Gianliani appoints five, and one is a student). But SUNY appointments are all his. And Cuomo, overconfident about re-election, had left several SUNY seats open. The Republican governor quickly filled those, and has replaced every single Democratic holdover whose seven-year term had come up. His appointments have consisted almost entirely of non-academic professionals with private college backgrounds.

Candace de Russy, a writer, radio commentator and former professor, has emerged as the board’s most outspoken figure. She works from her big house in the New York suburb of Bronxville, where she founded the Westchester County chapter of the anti-tax group Change-NY, a key supporter of Pataki’s. She calls herself an
from preceding page “educational soul mate of Anne Pao- luci’s” and a “proud trustee activist.”

On the SUNY board, she has found like-minded trustees, notably chairman Tom Egan, a Westchester County investment banker; Edward Cox, son-in-law of the late President Nixon; and Harvey Wachsman, a Long Island neurosurgeon and lawyer. Several trustees recall how Wachsman refused to vote on a budget request to the legislature last year because, he said, “there aren’t enough cuts in it.” Ed Hines, an Illinois State professor who tracks higher education spending, said: “SUNY’s board was the only one in the country to ask for a flat budget this year.”

The new board members have been sharply criticized by faculty, SUNY college presidents, and Democratic politicians for refusing to fight severe cuts in state aid and hikes in tuition proposed by Pataki. The governor has said higher education is not a priority and should be treated like any other state agency in the budget, and “it’s not the board’s job to contradict him,” de Russy said.

State aid to SUNY declined from $732.8 million for the 1994–95 academic year to $601.1 million for 1996–97, while city aid for SUNY has stagnated. At SUNY, state aid has declined from $1.2 billion in 1988, or 90 percent of the operating budget, to less than $700 million this year, or about 45 percent. “SUNY used to be state funded,” goes a bitter joke circulating at SUNY. “Then, it was state supported. Now, we are state located.”

The trustees shrug off such criticism. They say SUNY’s 64 campuses need to become more self-sufficient and competitive, with different tuition for each college (For now, tuition is the same — $3400—at each SUNY four-year school).

And the trustees have hired Pataki allies, including members of his administration, to carry out this vision.

Last year, the board forced the resignation of SUNY Chancellor Tom Bartlett, who could not countenance the trustees’ vision. A search committee, which included former Indiana University president John Ryan, interviewed several candidates (including three veterans of the Reagan and Bush Administrations). But the board ended up picking Ryan, 67, for the post.

This May, the trustees hired Donald G. Dunn, the first deputy secretary in Pataki’s office, to be executive vice chancellor, running SUNY day-to-day. Michael Clemente, Pataki’s deputy director of operations, is now general manager of the State University Construction Fund. Dave Faren, the husband of Pataki’s health commission- er, Dr. Barbara DeBuono, serves as associate vice chancellor for marketing and enrollment management. A board meeting, Salinas, the Manhattan Institute fellow whose previous administrative experience was as chair of the Hunter College department of urban planning, was appointed provost without a search.

“The governor is packing SUNY with his cronies,” said State Comptroller Carl McCall, a Democrat. “I wonder if CUNY won’t be next.”

SUNY trustees object to the cronism charge, but they don’t disagree that CUNY is beginning to follow the SUNY script. Salinas is a leading contender to be CUNY’s next chancellor. de Russy says she applied for the CUNY interim chancellorship, and would not mind being considered for the permanent job.

Her agenda is plain. Remedial classes should be phased out, admissions standards tightened, and general education curricula installed.

“I’m in close touch with Anne Paolucci. She is a wonderful person and scholar,” said de Russy. “What we’ve embarked about to happen at CUNY: a serious mis- sion review. Our intention here, my goal, is to raise academic standards, number one, and, number two, to utilize the hardworking taxpayer’s resources more efficiently.”

While not averse to cuts and academic standards, CUNY’s Ann Reynolds thought de Russy and SUNY trustees had gone too far. She went to Albany to criticize the governor’s budgets. And despite entreaties and heavy political pressure, she publicly opposed Mayor Giuliani’s plans to require CUNY students on welfare to work 20 hours a week for their benefits.

Giuliano, who fired a popular and ef-fective police commissioner for less, con-sidered her refusal an act of war. Reynolds couldn’t understand why the mayor would impose a work burden that might force many of CUNY’s 27,000 welfare-receiving students to drop out. The mayor went ahead with his plan, leading to what Rey-nolds views as disastrous consequences. About 11,000 welfare recipients have left the CUNY student rolls. “Ann stood up to the mayor and the governor,” said Edith Everett, a CUNY board member who sup-ports Reynolds. “For her trouble, Pataki’s and Giuliani’s trustees punished her.”

Both elected officials have made their CUNY appointments with the utmost political consideration. For the most part, Pataki bowed to the wishes of his political supporters in the city. Trustee John Calan- dran was the candidate of Republican Bronx State Senator Guy Velella. Trustee Robert Price was suggested by Manhattan State Senator Roy Goodman. Writing for The Village Voice, Nilda Soto Ruiz is the wife of Democratic City Councilman Israel Ruiz, a longtime Pataki friend who crossed party lines to give Pataki a week later, the chancellor was at- tacked from the other side. Irwin Polishok, president of the faculty and staff union, wrote a letter to members suggesting that Reynolds quit because she had not defended CUNY from the conservative attacks of the trustees.

“Throughout this media blitz, the chancellor’s silence and lack of support for our students and faculty have been deafening,” he wrote.

Reynolds, trapped, quickly plotted her escape. In mid-July, she accepted the presidency of the University of Alabama at Birmingham. Four days later, Reynolds blasted Paolucci in a letter to the Times. It concluded, poin-tedly: “New York deserves the highest standard of leadership on the board that governs public higher education.”

Paolucci and Badillo both say that they were surprised by Reynolds’ depar-ture. “I had expected her to stay and fight,” Badillo said. But they did not hesitate to start looking for an interim chancellor. Paolucci says she wants to complete a national search for a perma-nent chancellor by next fall.

It is not clear how smoothly such a search will go, particularly if Paolucci takes a leading role. Some of the Pataki and Giuliano appointees are chafing under her heavy-handedness, particu-larly in meetings. “She’s always ruling people’s comments out of order,” says Father Crimmins, a Pataki appointee.

“She needs a lesson in Robert’s Rules,” Paolucci dismisses such talk. “I’m very open, and the search will be, too,” she said. “We’ve got a lot of information that we want to get the right chancellor this time. It will have to be someone with a track record of success, and someone who has personal chemistry with me.”

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