CONCEPT PAPER

A National Center
To Address Higher Education Policy

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In March 1998, Governor James B. Hunt, Jr., of North Carolina announced the creation of the National Center for Public Policy and Higher Education. The Center, an independent, nonprofit, nonpartisan organization, is charged with ensuring educational opportunity, affordability, and quality in American higher education. It is not affiliated with or supported by any governmental agency or higher education institution. The Center has been established with assured multi-year support from a consortium of national foundations.

This concept paper, which describes the rationale and purpose of the National Center for Public Policy and Higher Education, is being circulated to encourage those interested in higher education to share their views on the questions and topics that the new center should undertake. The National Center for Public Policy and Higher Education invites comments and suggestions.

I. The Context: Higher Education Policy in the 1990s

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 10 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:

1. **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.

2. 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, 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.

3. 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 continue to grow at least until 2009, for the prospective students are already born. Over 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, over 50 percent; Florida, over 70 percent; and Nevada, over 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 though the nation’s elementary and secondary schools, but only recently have its implications for college opportunity been raised by policy leaders.

4. Necessity for Cost Containment. The last major expansion of higher education was in response to the baby boom cohort, and took place 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 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 had increases in tuition and decreases in 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 after 2010. With respect to funding for university research, which has been one of the federal government’s major roles in supporting higher education, the President’s Advisory Council on Science and Technology acknowledged in 1992 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 economic and fiscal context, both state and federal governments will be forced to revisit their policy commitments to instruction, research and public service—the broad array of benefits of educational opportunity beyond high school.

5. **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 gaining access to, and paying the higher costs of, college. A national debate on higher education finance is needed, one analogous to the debates of the 1970s that were stimulated by, among other groups, 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.

6. **Growing Concerns About Quality.** Although access and cost appear to be the public’s main concerns regarding higher education, 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 that “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 requires 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.

7. Integrating Technology in Higher Education. Technology has already revolutionized research, and has had a major impact on college and university administration. The remaining pivotal questions include: Can technology enhance quality and access, and if so, how? Can it 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. . . . [I]ronically, the same faculty members who are fighting against any substitution of information technology for their labors 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 are also on the stage. About
78 percent of college students are in public colleges and universities, institutions 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 institutions, accounting overall for approximately 38 percent of total financial support. Financial assistance provided by federal and state governments to students attending public and private institutions exceeded $50 billion 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 a crucial factor of the major transitions that have shaped modern American higher education: the creation of land grant universities in the 19th century, the development of the American research university in the 20th century, the passage of the GI Bill and the post-World War II expansion of access and participation, and the establishment of community colleges. 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.

II. The National Center for Public Policy and Higher Education

The nation lacks an independent policy forum for orderly examination of the complex elements of long-term change and uncertainty that face our system of public and private higher education. The National Center for Public Policy and Higher Education has been created to fill this void. The Center will provide a public forum for policy analyses, and it will seek to engage leaders—from within and outside the education establishment—in rethinking and reinvigorating the role of public policy in American higher education. By “higher education,” the Center refers to all education and training after high school, including two- and four-year, public and private institutions.

The Center will have two closely related and central missions:

1. To 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. To 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 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? 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 consider public policies that will best enable higher education to respond to societal needs and changes over the long term.

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 a 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 Higher Education Policy Center in recent years found broad, but not deep, support for higher education. They found the general public focused 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.\(^{11}\)

- A recent study of higher education finance in the 1990s by the California Higher Education Policy Center included national trends and case studies of five states.\(^{12}\) 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 Higher Education Policy 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 could be argued that the erosion of consensus concerning key aspects of higher education policy is simply one aspect of a pervasive public distrust of institutions, and not directly attributable to any failings of the colleges and universities. Even if this were the case, the erosion of consensus has created conditions in which 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 for Public Policy and Higher Education will help overcome three problems that currently hinder the development and public discussion of important policy alternatives regarding higher education.
First, 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 debate. The unfortunate 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 the 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, can narrow and 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 perspective of the public, 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 described below:

- The ultimate audience of the National Center for Public Policy and Higher Education 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,
college and university trustees will also 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. For these leaders, participation in a national debate will temper the almost unavoidable institutional *status quo* milieu in which many operate.

The Center’s publications will seek to reach these audiences regularly and will be designed to be accessible to the public. Symposia, forums and surveys will seek to reach the audiences 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.

**III. Major Themes and Core Activities**

The agenda and work plan of the National Center for Public Policy and Higher Education will be organized around several broad themes. Some of these themes derive from current external and internal factors influencing higher education; other themes would be important during any time period. Three themes, in particular, will be of continuing attention for the Center: 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 must go well beyond the allocation of financial responsibility, however, to 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 Higher Education Policy 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 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?

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.”

**State 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 can assist state policy leaders in their search for constructive change.

The California Higher Education Policy 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 includes the decision-making roles of
governors and legislatures. The project differs from earlier governance studies in that it focuses 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 conceptual framework for assessing the influence of organizational structure on the achievement of state priorities. The National Center for Public Policy and Higher Education 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 Center will seek to gain insight into the development of what Daniel Yankelovich has termed “public judgment” in the area of higher education policy.16

The themes described above will provide pervasive and recurrent guides for the Center’s work, though they will not necessarily be the subjects of discrete projects or reports. In implementing a thematic approach, the Center will identify important issues related to one or several of its primary themes. It will organize activities around these issues. Ultimately, it will develop policy products as a result of the various activities. This approach is similar to the model the California Higher Education Policy Center utilized to organize its work. (The California Higher Education Policy Center, which operated from 1992 to 1997, was organized under the Higher Education Policy Institute, the same independent, nonprofit corporation that serves as the “umbrella” organization for the new national center.)

The following chart portrays an example of how the California Higher Education Policy
The National Center for Public Policy and Higher Education

Center implemented a thematic approach in exploring the public and private finance of higher education.

### Example of Thematic Approach:

**The Public and Private Finance of Higher Education**

<table>
<thead>
<tr>
<th>Issues Related to Theme</th>
<th>Activities</th>
<th>Policy Products</th>
</tr>
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<tbody>
<tr>
<td>State Appropriations for California Higher Education</td>
<td>Tracked 30 Years of State Appropriations</td>
<td><em>Financing the Plan: California’s Master Plan for Higher Education, 1960 to 1996</em></td>
</tr>
<tr>
<td>Student Aid in California</td>
<td>Analyzed Student Aid Sources and Revenues</td>
<td><em>Trends in Student Aid: 1990 to 1996</em> (by The College Board), including policy implications</td>
</tr>
<tr>
<td>Changes in State Finance of Higher Education</td>
<td>Studied Higher Education Finance in Five States</td>
<td>Background Case Study Publications for National Roundtable</td>
</tr>
<tr>
<td>Overall Changes in Higher Education Finance</td>
<td>Commissioned Research</td>
<td>Background Publication for National Roundtable</td>
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<tr>
<td>Changes in Federal and State Finance</td>
<td>Commissioned Research</td>
<td>Background Publication for National Roundtable</td>
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In fostering constructive change, the National Center for Public Policy and Higher Education will undertake the following core activities:

- Refine and advance a national agenda for higher education policy, an agenda that identifies and analyzes crucial national policy issues facing American
higher education, while framing and articulating those issues from a broad, public interest perspective.

• Publish readable and incisive policy studies and commentaries that raise policy issues, examine alternatives, and 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 policymakers 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 Higher Education Policy Center’s *CrossTalk* to report important policy developments.

**Conclusion**

Through its studies, publications, and its convening and communications strategies, the Center will seek to present its work and to define and frame core public policy issues regarding higher education. As it prepares its initial agenda and as it reaches significant milestones, the National Center for Public Policy and Higher Education will consult with those most knowledgeable about higher education policy for their advice on framing issues and questions, on possible research projects, and on priorities. The Center will make information and recommendations available to those responsible for public policy, the higher education community, opinion leaders, and the broader public and the media. By any measure, a critical criterion for assessing the Center’s work will be the extent to which the policy questions that it asks are relevant to the long-term interests of the American public regarding higher education.
Endnotes

6 The roundtable was jointly convened by the California Higher Education Policy Center and the Pew Higher Education Roundtable with support from the Ford Foundation and the James Irvine Foundation. The Western Interstate Commission on Higher Education (WICHE) and the Southern Regional Education Board (SREB) also served as co-sponsors. A report on the roundtable was published by the California Center as a supplement to its October 1996 issue of its newsletter, CrossTalk, and by the Pew Higher Education Roundtable in the November 1996 issue of Policy Perspectives.
15 Frank M. Bowen, Kathy Reeves Bracco, Patrick M. Callan, Joni E. Finney, Richard C. Richardson, Jr., and William Trombley, State Structures for the Governance of Higher Education: A Comparative Study (San Jose: California Higher Education Policy Center, 1997). The California Higher Education Policy Center also published case studies of the seven states and an annotated bibliography. The study will be published in book form by Oryx Press.
16 Daniel Yankelovich, Coming to Public Judgment: Making Democracy Work in a Complex World (Syracuse: Syracuse University Press, 1991), p. 6. Yankelovich defines public judgment as “the state of highly developed public opinion that exists once people have engaged an issue, considered it from all sides, understood the choices it leads to, and accepted the full consequences of the choices they make.”
About the National Center for Public Policy and Higher Education

The National Center for Public Policy and Higher Education was established in 1998 to promote the public interest regarding opportunity, affordability and quality in American higher education. As an independent, nonprofit, nonpartisan organization, the Center provides action-oriented analyses of state and federal policies affecting education beyond high school. The Center receives financial support from a consortium of national philanthropic organizations, and it is not affiliated with any institution of higher education or with any government agency.

Single copies of this publication are available from the San Jose office of the National Center for Public Policy and Higher Education. For an immediate response, please FAX requests to 408-271-2697. Ask for report #98-1.

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