



AGB

Aligning American Higher Education with a Twenty-First Century Public Agenda

A Leadership Approach to Policy Reform



A Special Conference

June 8–9, 2008

Presented by the

MILLER CENTER *of* PUBLIC AFFAIRS, UNIVERSITY *of* VIRGINIA and the
ASSOCIATION *of* GOVERNING BOARDS *of* UNIVERSITIES *and* COLLEGES

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Examining the National Purposes of American Higher Education: A Leadership Approach to Policy Reform

Miller Center of Public Affairs
and
Association of Governing Boards
of Universities and Colleges

Charlottesville, VA
June 8–9, 2008

Letter from Richard D. Legon and Governor Gerald L. Baliles



AGB

Dear Colleague:

What if the United States no longer ranked in the top ten in the world in terms of the educational level of our citizens?

What if the United States were one of only two nations in the world in which our young adults are less well educated than our middle aged adults?

What if studies estimated that the U.S. must produce one million more higher education degrees and certificates each year if it hopes to lead the world in educational attainment by 2025?

These were three of the sobering and troubling issues raised in June 2008 when the Miller Center of Public Affairs at the University of Virginia convened a special conference in conjunction with the Association of Governing Boards of Universities and Colleges (AGB) on the societal challenges confronting the U.S. and the roles of public policy and public higher education, including its governance, in addressing those challenges. The insights and exchanges of that event form the basis of this report. Given the frequent assertions through the conference that “it is the governor of a state who creates the policy environment that makes higher education a priority,” it was especially appropriate that Virginia Governor Tim Kaine addressed the morning session.

Early in the meeting one of this letter’s co-signers (Gerald L. Baliles) outlined a set of issues very much along the lines identified above, portraying a scenario of inertia in federal and state public policies that had yielded a misalignment between evolving societal needs on the one hand, and the priorities of postsecondary education institutions on the other. Only after completing the description was it revealed that the problems identified were excerpted verbatim from a document written some 15 years ago.

Thus, the problems themselves are not new. The fundamental challenge of defining a public agenda and directing incentives for higher education to contribute to those purposes is essentially

the same challenge that has confronted the nation in earlier times. What has changed is the urgency of the need for deliberate policy and strategic action in pursuit of a public agenda with regard to greater degree attainment—and the magnitude of consequences from a continued failure to act.

Many more people must continue their educations beyond high school if the U.S. is to maintain its leadership role in today's highly competitive, knowledge-intensive, global economy. The new economies here and in several other industrialized nations will not employ large pools of unskilled or under-educated workers.

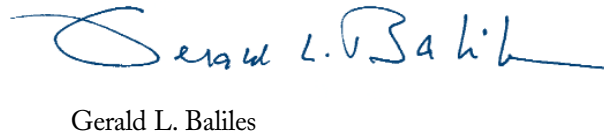
But people not only should go to college; they also have to finish their studies and earn degrees or certificates. To be sure, increased investment in research and discovery is critical to sustaining our nation's competitive edge. But more Americans have to acquire the knowledge and skills that will make them productive citizens who are employable in today's economy. In the high-skills global economy of the current age, the prospect of under-educated, unskilled workers gaining a foothold in the middle class has all but vanished. That is what we are failing to accomplish.

Knowing the extent to which the U.S. is falling behind other nations in meeting the educational challenges of the twenty-first century, we offer three broad categories of recommendations: those concerning public policy and strategic action; those concerning the responsibilities of citizen boards; and those concerning college and university chief executives. The message is clear: the status quo is not acceptable and the magnitude of required change demands the attention of all responsible for policy development and implementation.

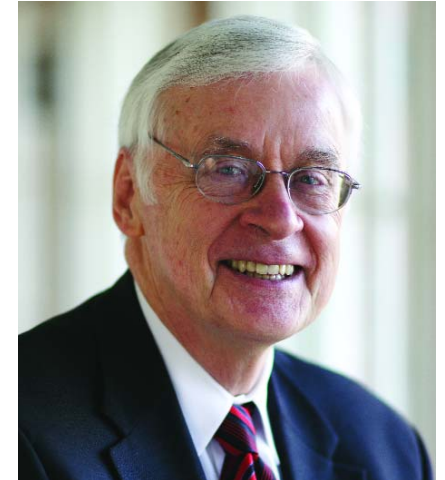
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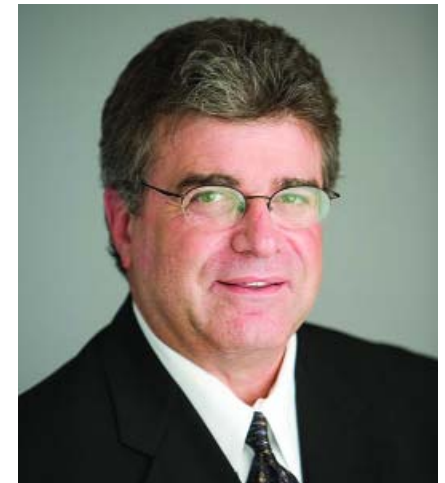
Richard D. Legon



Gerald L. Baliles



Gerald L. Baliles



Richard D. Legon

Summary of Recommendations

Details of these recommendations are contained in the general discussion that follows

Achieving the nation's public purpose is a widely shared responsibility. The federal government can provide financial support to advance a national research agenda and foster increased access to higher education, although direct oversight and governance of public higher education institutions fall within the purview of the states. Individual states vary in the configuration of powers different leaders have to affect policy, elicit support, and hold higher education accountable in achieving public purposes. The variety of state approaches to governance demonstrates that there is no one way to do this work. It is possible, however, to designate three broad categories of recommendations: those concerning public policy and strategic action; those concerning the responsibilities of citizen boards serving as stewards and overseeing a strategic agenda; and those concerning college and university chief executives as primary academic leaders of higher education institutions charged with leading and implementing strategic change. There are excellent colleges and universities—and excellent systems—under several different governance models. The common denominators are a determination to exercise leadership and the skills to do so effectively.

Public Policy and Strategic Action

- Define a public agenda to address a state's challenges and opportunities and outline the contributions higher education can make to ensure a state's continued economic, social, and civic vitality.
- Develop measures of success in advancing a state's public agenda, including measures of higher education's contributions to achieving a state's educational goals; and hold institutions and systems accountable for fulfilling those goals.
- Provide funding for institutional behavior that helps to achieve a state's goals.
- Focus on adult learning and training in response to the demands of rapid economic, technological, and societal changes.
- Strengthen the relationship between higher education institutions and K–12 schools as partners in educating students to succeed in the twenty-first century.
- Engage in more concerted efforts to convey the critical importance of higher education as a means to ensure the nation's continued economic and civic vitality through the establishment of partnerships among different stakeholders in pursuit of a shared agenda.

Responsibilities of Citizen Boards

- Encourage and monitor the development of a strategic plan outlining specific actions through which a state's higher education institutions contribute to the public agenda.
- Leverage board influence in support of a state's public agenda.
- Encourage board accountability.
- Select board members on the basis of demonstrated skills and merit.
- Invest in the education of a board and its individual members; conduct a periodic assessment of a board's effectiveness, both collectively and among individual members, and use the results as a basis to improve a board's effectiveness.
- Celebrate and reward chief executive officers who successfully engage their institutions in contributing to a state's public agenda.

College and University Chief Executive Leadership

Although not specifically included in the agenda for the conference, the leadership of the institution's chief executive is central to the achievement of public purposes and a strategic agenda. We have included recommendations developed in earlier AGB reports to fully reflect the nature and scope of the challenges and required responses. These recommendations for the critical actions of college and university chief executive officers in leading higher education institutions in the achievement of public purposes are drawn from the AGB reports, *Renewing the Academic Presidency: Stronger Leadership for Tougher Times* (1996) and *The Leadership Imperative* (2006).

- Unite the board, faculty, and other constituents in developing a vision for the institution and enlist the support required to lead the institution in meeting future challenges.
- Formulate a vision of the institution's future, build consensus around it, and take the risks required to achieve that vision, on campus and beyond.
- Exemplify in actions and words the contributions higher education makes to the nation's capacity for productive engagement in a global age.
- Lead the board and faculty through a process of clarifying the precise nature of shared governance on each campus and reducing ambiguities in authority and decision-making processes.
- Exercise the authority already inherent in the position.

Public Higher Education in the United States

A Leadership Approach to Policy Reform

Background

History offers powerful examples of higher education's transformative impact in advancing social and economic well-being in the United States. In many cases public policy at the state and federal levels provided the framework for contributions that universities and colleges made to the nation's collective advancement. What is often overlooked in the early years of the twenty-first century is how public policy, institutional leadership, and effective governance will continue to be central in ensuring higher education's contributions to the nation's advancement.

At several intervals through the past century and earlier, a series of public policy initiatives, accompanied by major federal or state investments, effectively redefined the nation's public purposes and the role of higher education in achieving them. The establishment of land-grant colleges in the nineteenth century; the GI Bill, making possible a college education for veterans of the Second World War; the major federal investment in research universities as primary agents of scientific advancement for national security and health beginning in the mid-1940s; the creation of community colleges through the late 1950s and early 60s; the enactment of the Pell Grant program in 1965, making the federal government a major provider of financial aid, helping to ensure access to a college education regardless of financial circumstance—each of these was a major government initiative in which an act of public policy identified a compelling societal need and created programs through which higher education could help address that need.

Accompanying the policy initiative in each case was a targeting of public funds to achieve the purposes identified. Collectively these actions helped create a system of higher education in this country that was widely acclaimed through the twentieth century as the strongest in the world. No other nation approached the U.S. in the advancement of knowledge through research and innovation while simultaneously making higher education accessible to a broad range of its citizens regardless of financial circumstance.

Indeed, while the idea of a university did not originate in the U.S., no other nation has offered so striking an example of higher education's transformative power. The nation's higher education institutions have defended and propagated our cultural and intellectual heritage, while challenging our norms and beliefs. They have produced the leaders of our governments, commerce, and

professions. They have both created and applied new knowledge to serve our society. And they have done so while preserving those values and principles so essential to academic learning: the freedom of inquiry, openness to new ideas, a commitment to rigorous study, and a love of learning. The past achievements of higher education notwithstanding, the U.S. in the twenty-first century will need a much more highly educated population in order to sustain its economic and civic vitality and to restore its competitive standing. Globalization, demographic change, the rise of a knowledge-driven society, and the unrelenting advance of technology are among the major forces that are redefining life in the twenty-first century and intensifying the need for a more highly skilled and educated U.S. population. As a nation, we need many more young people finishing high school and going on to college. Equally important is the need for many adults already in the workforce to finish high school, enroll in college, and receive degrees or certificates.

The decades ahead will require a vigorous investment in research to ensure the nation's continued prominence in scientific discovery and application. At the same time, major actions must be taken to increase the number of U.S. citizens who go to college and earn a degree. Among the member nations of Organisation for Economic Cooperation and Development (OECD), the

U.S. no longer ranks among the top ten nations in the proportion of young people earning a higher education degree. The U.S. and Germany are the only two nations of this group in which the population aged 45 to 54 is better educated than the population aged 25–34. One study of growing educational attainment in other countries estimates that the U.S. must produce one million more higher education degrees and certificates each year if it hopes to lead the world in educational attainment by 2025.

Quite simply, for the U.S. to continue an upward trajectory of leadership and achievement in the years ahead will require that a much larger share of its population seek and attain a postsecondary education. In the high-skills global economy of the current age, the prospect of under-educated, unskilled workers gaining a foothold in the middle class has all but vanished.

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Virginia Governor Tim Kaine addressed the morning session

The critical challenge facing the nation and its states is to define a public agenda for the twenty-first century—an agenda that acknowledges the nature and extent of societal challenges in the years ahead and conveys a vision of higher education’s contribution to the advancement of the public well being. A public agenda clearly states the opportunities available to the nation and a given state while

By defining the public agenda we mean stating what we want to achieve and how we can achieve it.

identifying the actions required to achieve our goals. Public agendas will differ across states, and in many cases the opportunities and needs will vary among regions of a single state. Nevertheless, every state will need to increase certificate and degree production while ensuring the delivery of high-quality education. By defining the public agenda we mean *stating what we want to achieve and how we can achieve it.*

While the examples of earlier decades make clear how forceful and deliberate acts of policy aligned with dedicated funding can help achieve the nation’s public purposes, policy actions of the more recent past have not been as purposeful in conveying a vision of the public good and targeting resources to achieve such a vision. In the place of explicit public policy, a series of implicit policies have evolved, driven as much by budgetary constraints as by a deliberate sense of purpose and commitment to a public agenda. As a nation, we need to determine the contributions that higher education institutions can make to advance a public agenda. The reluctance to act in a forthright manner has yielded many signs of public purpose set adrift:

- The absence in many states of a public agenda that engages higher education institutions in promoting economic competitiveness and fostering social and civic vitality.
- Governance systems that too often lack the leadership necessary to develop and pursue a broad strategic agenda, provide financial incentives for universities and colleges to address pressing state

or regional challenges, or hold institutions accountable for achieving public purposes.

- Shrinking funds to sustain both world-class research institutions and access to high-quality education for more citizens, and an absence of policy leadership to address the compelling need for both.
- A system of finance and incentives that often fails to advance the public purpose of wider attainment, generously supporting institutions that educate the most advantaged students while providing substantially less support for colleges and universities that enroll students who require extra assistance and are less well-off economically. These students are denied opportunities to which they would have had access in the second half of the last century.
- An obsession with rankings and recognition that rewards disproportionately those institutions that pursue prestige over those that do the most for student participation and success.
- Universities and colleges that in too many states have abandoned their founding missions to educate students of a particular region in order to pursue ambitions of becoming more selective and advancing themselves on the scale of institutional prestige. In such states, governance has not been successful in helping to align institutional ambitions with the pursuit of a state’s common good.
- A system of higher education that admits students but too often fails to engage them beyond the point of initial enrollment, with the result that completion rates fall short of what the nation requires.
- Higher education institutions that have often been slow to change in response to evolving societal needs or different circumstances and modes of learning, including the educational needs of an increasingly diverse population of learners, the needs of adults seeking opportunities for lifelong learning, and the needs of traditional-aged college students accustomed to learning with tools of digital technology.

- A system of postsecondary institutions that too often misses opportunities to work with K–12 schools in addressing common challenges such as academic preparation, curriculum development, teacher preparation, or the identification of common standards for high school graduation and college entry.

The Meeting

In June 2008 the Miller Center of Public Affairs at the University of Virginia convened a special conference in conjunction with the Association of Governing Boards of Universities and Colleges (AGB) on the societal challenges confronting the U.S. and the roles of public policy and public higher education, including its leadership and governance, in addressing those challenges. The insights and exchanges of that event form the basis of this essay. Given the frequent assertions

through the conference that “it is the governor of a state who creates the policy environment that makes higher education a priority,” it was especially appropriate that Virginia Governor Tim Kaine addressed the opening session.

Early in the meeting former Virginia Governor Gerald L. Baliles, currently Director of the Miller Center of Public Affairs, outlined a set of issues very much along the lines identified above, portraying a scenario of inertia in federal and state public policies that had yielded a misalignment between evolving societal needs on the one hand, and the priorities of postsecondary

education institutions on the other. Only after completing his description did he reveal that the problems identified were excerpted verbatim from a document he had written some 15 years ago.

Thus, the problems themselves are not new. The fundamental challenge of defining a public agenda and directing incentives for higher education to contribute to those purposes is essentially the same challenge that has confronted the nation in earlier times.



Session I panel, left to right: David Breneman, respondent; James Duderstadt, presenter; and Gordon Davies, moderator

What *has* changed is the urgency of the need for deliberate policy and strategic action in pursuit of a public agenda with regard to greater degree attainment—and the magnitude of consequences from a continued failure to act.

Achieving the nation’s public purposes is a widely shared responsibility. The federal government can provide financial support to advance a national research agenda and foster increased access to higher education, although direct oversight and governance of public higher education institutions fall within the purview of states. Individual states vary in the configuration of powers different players have to affect policy, elicit support, and hold higher education accountable in achieving public purposes. The variety of state approaches to governance demonstrates that there is no one way to do this work. It is possible, however, to designate three broad categories of recommendations: those concerning public policy and strategic action; those concerning the responsibilities of citizen boards serving as stewards and overseeing a strategic agenda; and those concerning college and university chief executives as primary academic leaders of higher education institutions charged with leading and implementing strategic change.

There are excellent colleges and universities—and excellent systems—under several different models of governance. The common denominators are the determination to exercise leadership and the skills to do so effectively. Recommendations are presented at the end of each of the following discussions.

Creating a Public Policy and Strategic Action Agenda

Even as the need for higher education intensifies, the current age differs from earlier times in the comparative absence of public policy and investment as instruments of achieving public purposes in the U.S. What the nation and its states require in the twenty-first century is a continuation of strong capacity for research and knowledge development, accompanied by greatly improved success in educating a larger share of the population whose educational needs, modes of learning, ethnic and racial backgrounds, and financial circumstances differ from those of students in the past.

Part of the challenge for our public universities and colleges is to do more with less—to expand opportunity and success even as public policy and public funding commitments remain uneven. At the same time, elected officials must accept responsibility for working with higher education leaders and stakeholders to establish policies that encourage postsecondary institutions to achieve specific public purposes. Part of that responsibility is to identify and direct public resources to the educational purposes a state needs its universities and colleges to fulfill.

In the global, competitive, knowledge-intensive terrain of the twenty-first century, the most critical action confronting states is to establish a strategic public agenda—a task that combines a stewardship of the past with a sense of opportunity and responsibility for the future. Articulating a vision for the nation’s continued vitality and engagement is a responsibility of the nation as a whole and of its individual states. Each state must work to understand the formidable challenges to the nation’s continued economic, social, and civic well-being in coming years—and to construct a plan through which it can achieve the nation’s public purposes within its own state context.

While higher education alone cannot shoulder all the responsibilities for addressing the major issues facing our states and communities, state policymakers need to engage universities and colleges in developing strategies for continued vitality, a high quality of life, and competitiveness in a global economy.

To accomplish these purposes, multiple stakeholders have to be engaged: the governor, state legislators, leaders of business, the state higher education executive, university and college presidents, governing and coordinating boards, and civic leaders. In convening the deliberative process of defining a public agenda, a state creates both a context and a rationale for its financial support of higher education institutions. A well-defined statement of public purposes provides the leverage and motivation for a higher education system or an individual institution to develop a strategic plan for advancing a state’s economic, social, and civic vitality.

To attain this degree of purposeful resolve requires both a sustained effort and a strong and effective system of higher education governance within a state. In too many states, however, governance is neither effective nor

fully engaged—and for this reason it is unable to leverage change on issues such as cost, access, and student success, or to provide a vehicle for constructive dialogue among key stakeholders. Governance in its broadest sense—that is, the process by which major stakeholders determine and influence policy—must be reinvigorated to strengthen the relationship between institutions and state governments.

Creating the workforce and citizenry that can ensure the nation’s continued vitality in future decades requires a commitment that unites both sides of the political aisle around a clear and limited set of goals that have sustaining power beyond the terms of current elected officials. More than any other single officer, it is the governor of a state who creates the policy environment that makes higher education a priority and encourages universities and colleges to direct their energies toward the fulfillment of public purposes. A state legislature also makes important contributions by holding institutions accountable to a vision created through an iterative and inclusive process.

The task of defining and carrying out a state’s public purposes through higher education vests a considerable weight of responsibility on players who are not on stage for very long. Term limits in many states can disrupt the momentum and continuity that might otherwise accrue from sustained and effective political leadership. These factors mean that simplicity and directness are vital in defining a strategic agenda for a state and the role of higher education in achieving it. The agenda must identify the fundamental goals to be achieved in succinct terms that can be readily understood and sustained through successive generations of leadership.

While higher education alone cannot shoulder all the responsibilities for addressing the major issues facing our states and communities, state policymakers need to engage universities and colleges in developing strategies for continued vitality, a high quality of life, and competitiveness in a global economy. Each state must define its public agenda in its own demographic, economic, and geographic terms, recognizing both the unique elements of its circumstance and the challenges it shares with all other states. It must then create a framework outlining how the state’s universities and colleges can contribute to that agenda.

Finally, a state must commit the funding required to translate a state’s particular strategies into action. No matter how broad the agreement

among stakeholders in principle, a public agenda without a provision for funding is an agenda bound to fail. Any of the historic policy commitments that assigned a role to higher education also included a major commitment of funding to achieve the goals. The prospect of according funding—for such goals as successful graduation or persistence from the first to the second year—brings a state’s

educational goal into the realm of institutional self-interest.

Institutions can be motivated to reallocate existing resources to give higher priority to student persistence and success, if dollars (even the same total dollars) are allocated on the basis of course completion, for example, rather than initial course enrollment. Often, however, additional resources may be needed to achieve higher attainment. In these situations, states must provide such resources by reallocation or generating new revenues at the state level.



*Session 2 panel, left to right:
Reggie Robinson, respondent;
Gordon Davies, presenter; and
Peter Blake, moderator*

Recommendations

- **Define a public agenda to address a state’s challenges and opportunities and outline the contributions higher education can make to ensure a state’s continued economic, social, and civic vitality.** Each state should engage community leaders, employers, educators, and others in defining and affirming its public agenda, including a vision of the contributions that a state’s postsecondary institutions can make to achieve the public good. By defining the public agenda, we mean stating what we want to achieve and how we can achieve it.
- **Develop measures of success in advancing a state’s public agenda, including measures of higher education’s contributions to achieving a state’s educational goals; and hold institutions and systems accountable for fulfilling those goals.** States should identify the markers of successful achievement in reaching strategic goals for advancing the public agenda, particularly as

they relate to closing achievement gaps or increasing overall numbers of students participating and succeeding in postsecondary education. States should also have rigorous criteria in place when weighing aspirations for research status or selectivity from institutions whose current mission is access, undergraduate education, or regional development.

- **Provide funding for institutional behavior that helps to achieve a state’s goals.** States need to reinforce their priorities with their budgets, for example, by funding not only student enrollment and increased institutional capacity, but also institutional success in improving student persistence and degree completion. States will get improved results from a better mix of financial rewards and incentives. In addition, states need to fund adequately those institutions that are doing the most to educate several populations of students—including the economically disadvantaged, ethnic minorities, immigrants, and first-generation college students—whose participation and success is necessary for the nation’s future vitality.
- **Focus on adult learning and training in response to the demands of rapid economic, technological, and societal changes.** Major employers, including state governments themselves, should begin to require job applicants to have postsecondary credentials or workplace certifications as appropriate. States should consider tax credits, lifelong learning accounts, or other incentives for adults to upgrade their knowledge and skills for continued currency in the workplace.
- **Strengthen the relationship between higher education institutions and K–12 schools as partners in educating students to succeed in the twenty-first century.** States should encourage shared approaches to preparing students for college, curriculum development, alignment of standards for high school graduation and college matriculation, and the preparation of future teachers able to educate students to new and higher standards.
- **Engage in more concerted efforts to convey the critical importance of higher education as a means to ensure the nation’s continued economic and civic vitality through the establishment of partnerships among different stakeholders as constituencies in pursuit of a shared agenda.**

Citizen Boards

In considering how best to align the capacities of higher education institutions with the achievement of public purposes within a state or a region, it is possible to overlook how strong a role politics will play in determining the success of any such effort. A statewide higher education board has significant influence to support a shared vision that will achieve continuity through the tenure of successive legislators and governors. While it exists by a variety of names, nearly every state has some version of a statewide board for higher education that sets policy and advances a strategic agenda for a state.

Whether configured as a governing board of a particular institution, a system governing board overseeing multiple institutions, or a statewide higher education board, the board serves as a critical intermediary between the needs of the public, on the one hand, and the capacities and proclivities of a state's higher education institutions on the other.

If a state has succeeded in articulating a clear, broadly affirmed statement of its public agenda, a board is well-positioned to encourage the development of a strategic plan for achieving the educational purposes a state has identified as priorities. The role of the statewide higher education board is not to manage change but to lead and support it at a strategic level. A statewide board has the potential to foster solutions that address the academy's core value of autonomy while also meeting a state government's demand for accountability. Often, however, statewide boards have not demonstrated the capacity to be effective in this way. In this sense many boards have failed to evolve into a strategic policy body that functions with sufficient independence, carrying out their responsibilities in accordance with standards of board accountability in collaboration with their system or campus chief executives.

Essential ingredients for effective leadership in a statewide board include: good analytic data that can provide the basis for informed decisions; a vision of how a state's postsecondary institutions can contribute to a state's public agenda; the ability to sustain attention to the agenda, despite fluctuations in a state's fiscal and political circumstances; the ability to educate policy makers and higher education leaders and advocate the role of postsecondary institutions in meeting

public purposes; and adequate authority to influence, motivate, and support institutional responses to public priorities.

Given the critical importance of all governing, system, and coordinating boards to the advancement of public purposes through higher education, there is a compelling need to select board members who bring an understanding of and commitment to higher education—both in terms of mission and independence, and in terms of their own fiduciary responsibilities. In many cases there is a pronounced disconnect between the work that public higher education needs to do and the criteria by which members of boards are selected. Too often these appointments are made on the basis of political patronage, personal friendship, or other considerations that ignore the kinds of experience and ability a board member must bring to the task. Often little attention is paid to the public agenda and the need for board members to understand the agenda, support it, and elicit buy-in. Models that include merit in the process of appointing public higher education board members have been developed and applied in several states, and have strengthened board performance in those settings.

Even board members who are adept in the workings of particular institutions may not be well-versed in the larger context of a statewide system and the challenges facing a state or region. To make a significant improvement in the quality of governance, board members need to understand the context in which a state's universities operate. For this reason, the education of board members is an essential element of a board's effectiveness. Statewide orientation and education programs and board education sessions within regular board meetings can encourage effective leadership within a board.

The very range of responsibilities that boards undertake makes clear how important it is that board members are informed and effective in their work. Among these responsibilities is *advocacy for higher education*: Boards that possess a clear understanding of a state's public agenda are ideally positioned to advocate on behalf of higher education to elected officials as a means of ensuring continued social vitality and economic competitiveness.

In addition to each of these areas of responsibility, boards should seek to ensure alignment of public university and college priorities with the state's strategic priorities.

Recommendations

- **Encourage and monitor the development of a strategic plan outlining specific actions through which a state’s higher education institutions contribute to the public agenda.** Boards should align their institutions’ priorities with an overall state or system plan, taking account of differences in institutional mission and capacity as well as regional differences.
- **Leverage board influence in support of a state’s public agenda.** Boards should advocate the importance of higher education as an engine of civic vitality and economic competitiveness, capable of fulfilling a state’s public agenda, and worthy of public support.
- **Encourage board accountability.** Boards should be transparent and accountable in fulfilling their fiduciary responsibility; collectively and individually, board members must be committed to strong ethical conduct that steers clear of conflicts of interest.



Conference in session

- **Select board members on the basis of demonstrated skills and merit.** The appointment of members to public higher education boards should be based on merit as well as a demonstrated commitment to the future well being of a state and its higher education institutions.

- **Invest in the education of a board and its individual members; conduct a periodic assessment of a board’s**

effectiveness, both collectively and among individual members, and use the results as a basis to improve a board’s effectiveness.

To ensure optimal effectiveness in advancing a state’s public agenda, higher education boards must periodically assess their performance in fulfilling the governance responsibilities they assume; and they must apply assessment results to improve performance.

- **Celebrate and reward chief executive officers who successfully engage their institutions in contributing to a state’s public agenda.** Boards can create traction for a public agenda by conferring

praise and reward on presidents who enlist the strengths of their institutions in fulfillment of a state’s public purposes; this should best be done through specific goals within annual and comprehensive assessments.

College and University Chief Executive Officers

The president or chancellor holds the potential to enlist the institution’s or university system’s creative power in achieving a state’s strategic needs, and he or she is as important as any other single party in this endeavor. A president occupies the space where faculty interests and goals intersect societal need as expressed in a state’s strategic plan. A key responsibility of the president is to make the dynamic between these two realms productive—to help develop an institutional plan by which a university, college, or university system can contribute to compelling societal needs within a region, a state, and the nation at large. In undertaking the full dimensions of academic leadership, the president must show the faculty that contributing to a state’s strategic plan represents real opportunities for new avenues of professional growth.

On two different occasions in the past 12 years, AGB has convened special task forces under the direction of Gerald L. Baliles, each focusing on the intensifying challenges of the academic presidency.¹ The reports of both task forces included recommendations to chief executives that are particularly relevant for the purposes of helping individual institutions direct their energies to the achievement of public purposes within a state.

Some of the recommendations from the reports of these two commissions bear recounting here. First is the notion of “integral leadership”: A president must formulate a vision of the institution’s future; unite the board, the faculty, and other constituents in developing and enlisting support for the vision; and then build consensus around the vision, and take the risks required to achieve it, on campus and beyond. Presidents must also serve as public advocate for the potential of universities and colleges, exemplifying in actions and words the contributions higher education makes to the nation’s capacity for productive engagement in a global age. A chief executive must also lead the board and faculty through a process of clarifying the precise nature of shared governance and reducing ambiguities in authority

and decision-making processes. Finally, a president must exercise the authority already inherent in the position to expedite an institution's engagement in fulfillment of public priorities within a region, a state, and the nation at large.

Recommendations

These recommendations for the critical actions of college and university chief executive officers in leading higher education institutions in the achievement of public purposes are drawn from the AGB reports, *Renewing the Academic Presidency: Stronger Leadership for Tougher Times* and *The Leadership Imperative*.

- **Unite the board, faculty, and other constituents in developing a vision for the institution and enlist the support required to lead the institution in meeting future challenges.**
- **Formulate a vision of the institution's future, build consensus around it, and take the risks required to achieve that vision, on campus and beyond.**
- **Exemplify in actions and words the contributions higher education makes to the nation's capacity for productive engagement in a global age.** Presidents must be forceful advocates on behalf of higher education, striving to earn and strengthen public understanding, trust, and confidence.
- **Lead the board and faculty through a process of clarifying the precise nature of shared governance on each campus and reducing ambiguities in authority and decision-making processes.**
- **Exercise the authority already inherent in the position.** Presidents and chancellors must resist academia's insatiable appetite for the kind of excessive consultation

Americans of the twenty-first century are heirs to a legacy of achievement and opportunity that higher education has been integral in creating. Extending that legacy to future generations of students is the fundamental challenge confronting the nation and its states in the twenty-first century.

that can unduly delay or bring the institution to a standstill in implementing policy and strategic actions. A chief executive must exercise authority to expedite an institution's engagement in fulfillment of public priorities within a region, a state, and the nation at large.

Extending a Legacy

As in previous moments when public policy directed energies and resources to meet a societal need, the current environment requires deliberate public policy that provides higher education with motivation and resources necessary to meet the nation's particular challenges in the twenty-first century. While each state's circumstances will differ to some degree, a common need is to educate a population of students that, taken as a whole, is older, more diverse, often from disadvantaged educational backgrounds, and frequently constrained in financial circumstances—a population of both traditional-aged and nontraditional students whose modes of learning differ from students of the past.

Nothing in this agenda is meant as a call for diminishing the importance of research and scholarship undertaken by major universities throughout the nation. Research and innovation remain vital to unlock future opportunities and enhance the well-being of the nation and its states. What is needed is a greater recognition of the distinct missions among universities and colleges within states and throughout the nation. Not every university should aspire to be a flagship or research institution. In many cases what is required is an adjustment of institutional priorities to serve the educational needs of a region more effectively.

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Public Higher Education in the United States: A Leadership Approach to Policy Reform

derives from a special conference convened jointly by the Miller Center of Public Affairs and the Association of Governing Boards of Universities and Colleges (AGB). The conference took place at the Miller Center on the campus of the University of Virginia in June 2008.

*A*mong the 60 participants in this invitational event were state senators and other policy makers, university presidents and board members, state higher education executive officers, and other stakeholders committed to a renewal of public policy as a means of ensuring the continued economic and civic vitality of the nation and its citizens in the twenty-first century. A series of background papers and presentations provided the basis for discussions focusing on a range of societal challenges facing the U.S. and the potential roles of higher education in addressing those challenges.

This report offers a distillation of major themes and recommendations that emerged from the exchanges of the AGB-Miller Center conference. The summary was written by Gregory R. Wegner, Director of Program Development, Great Lakes Colleges Association.

*T*he Miller Center and AGB gratefully acknowledge the Carnegie Corporation for its generous support of this initiative.

Notes

1. The first of these reports is: Commission on the Academic Presidency (1996). *Renewing the Academic Presidency: Stronger Leadership for Tougher Times*. Washington, D.C.: Association of Governing Boards of Universities and Colleges.

The second is: AGB Taskforce on the State of the Presidency in American Higher Education (2006). *The Leadership Imperative*. Washington, D.C.: Association of Governing Boards of Universities and Colleges.

Aligning American Higher Education with a Twenty-first Century Public Agenda

James J. Duderstadt

President Emeritus

University Professor of Science and Engineering

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Today the United States faces the challenge of achieving prosperity and national security in a hypercompetitive global economy driven by knowledge and innovation. We have entered an era in which educated people, the knowledge they produce, and the innovation and entrepreneurial skills they possess have become the keys to economic prosperity, public health, national security, and social well being. To provide our citizens with the knowledge and skills to compete on the global level, the nation must broaden access to world-class educational opportunities at all levels: K-12, higher education, workplace training, and lifelong learning. It must also build and sustain world-class universities capable of conducting cutting-edge research and innovation; producing outstanding scientists, engineers, physicians, teachers, and other knowledge professionals; and building the advanced learning and research infrastructure necessary for the nation to sustain its leadership in the century ahead.

This conference focuses on a public agenda appropriate for American higher education in such a rapidly changing world. Who should define such an agenda? The public? The taxpayers? Political leaders? Students and other clients of the university? The academy? Society in general? The states, the nation, or the world? And for what purpose? To respond to the needs and desires of the present? To be responsible stewards of institutions built through investments and sacrifices of past generations? Or to secure and protect opportunities for future generations? What framework of policy, governance, leadership, public trust, and support will be necessary to align our colleges and universities with such an agenda? Will substantial evolution and transformation of our institutions be necessary? What about their governance and leadership?

These are all topics that will be considered in some depth during the course of the conference. This paper is intended to provide some background, and perhaps more important, to identify several issues, questions, and perhaps dilemmas that should be addressed during our discussions.

Defining a Twenty-first Century Public Agenda for American Higher Education

One might take several approaches in identifying an appropriate public agenda for American higher education. Of course we could rely on public opinion, as expressed by our political leadership, the media, or surveys. We could also draw from several important studies conducted by government commissions, foundations, and higher education associations. Or we could take

a more strategic approach by considering the changing world in which we live and which higher education must serve. Let us consider each approach.

Both the media and politicians commonly criticize higher education on issues such as cost and performance, but recent opinion surveys actually show remarkably strong public support for higher education (Callan and Immerwahr, 2008). Public attitudes remain favorable toward the quality of our colleges and universities and their contributions through teaching, research, and public service. Both the social and economic values of a college education are perceived as high and increasing. Yet rising costs could place a college education out of the reach of many students and families. Furthermore the integrity of higher education has been jeopardized by occasionally flagrant abuses of the public trust, such as the recent scandals in the student loan industry, fraud and other episodes of scientific misconduct, and the excessive commercialization of big-time college sports programs that exploit students while enriching coaches.

While public surveys still suggest strong support of higher education, numerous other studies have suggested that the past attainments of American higher education may have led our nation to unwarranted complacency about its future. Of particular importance here was the National Commission on the Future of Higher Education—the so-called Spellings Commission—launched by the Secretary of Education in 2005 to examine issues such as the affordability, accountability, and quality of our colleges and universities (Miller, 2006). This unusually broad commission, comprised of members from business, government, foundations, and higher education, concluded that “American higher education has become what in the business world would be called a mature enterprise, increasingly risk-averse, at times self-satisfied, and unduly expensive. It is an enterprise that has yet

to address the fundamental issues of how academic programs and institutions must be transformed to serve the changing educational needs of a knowledge economy. It has yet to successfully confront the impact of globalization, rapidly evolving technologies, an increasingly diverse and aging population, and an evolving marketplace characterized by new needs and new paradigms.”

More specifically, the commission raised two areas of particular concern about American higher education: “Too few Americans prepare for, participate in, and complete higher education.

Notwithstanding the nation’s egalitarian principles, there is ample evidence that qualified young people from families of modest means are far less likely to go to college than their affluent peers with similar qualifications. America’s higher-education financing system is increasingly dysfunctional. Government subsidies are declining; tuition is rising; and cost per student is increasing faster than inflation or family income.” (Miller, 2006) Furthermore,

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James Duderstadt speaking during Session I.

at a time when the United States needs to be increasing the economic value of a college education, disturbing signs suggest higher education is moving in the opposite direction. Numerous recent studies suggest that today's American college students are not really learning what they need to learn (Bok, 2006).

As a result, the continued ability of American postsecondary institutions to produce informed and skilled citizens who are able to lead and compete in the twenty-first century global marketplace may soon be in



question. Furthermore, the decline of public investment in research and graduate education threatens to erode the capacity of America's research universities to produce the new knowledge necessary for innovation (Augustine, 2005).

The Commission issued a series of sweeping recommendations to better align higher education with the needs of the nation. These include:

1. reaffirming America's commitment to provide all students with the opportunity to pursue post-secondary education;
2. restructuring student financial aid programs to focus upon the needs of lower income and minority students;
3. demanding transparency, accountability, and commitment to public purpose from our universities;
4. adopting a culture of innovation and quality improvement in higher education;
5. greatly increasing investment in key strategic areas such as science, engineering, medicine, and other knowledge-intensive professions essential to global competitiveness; and
6. ensuring that all citizens have access to high quality education throughout their lives through a national strategy to provide lifelong learning opportunities at the postsecondary level.

Government and the higher education community at the federal and state levels will implement several of these recommendations over the

next few years. Yet, because of the cacophony of criticism and speculation following the release of the Commission's report, it is also important to note here what were **not** included as recommendations: no standardized testing, no tuition price fixing, no national (federal) accreditation process, and no federalization of American higher education, which constitutionally remains the responsibility of the states and the private sector. From this latter perspective, it is not surprising that similar conclusions have been reached by groups at the state level such as the National Conference of State Legislators (NCSL, 2006), the State Higher Education Executive Officers' National Commission on Accountability in Higher Education (SHEEO, 2005), and the National Center for Policy and Higher Education's Measuring Up report cards (NCPHE, 2008). For example, the NCSL report begins with the premise: "There is a crisis in American higher education. It has crept up on us quickly. It has become clear that the states and the federal government have neglected their responsibilities to ensure a high-quality college education for all citizens. Too many students are falling through the cracks. As a result, U.S. citizens are not achieving their full potential, state economies are suffering, and the United States is less competitive in the global economy."

Yet, while such studies are extremely important and set both the framework and tone for policy development with their stress on performance, transparency, and accountability, they also are limited in scope to present-day concerns. Perhaps a more visionary perspective would consider the changing public agenda for higher education implied by phenomena such as globalization, changing demographics, powerful market forces, and an emerging innovation-intensive economy (Glion, 2008). More specifically, today we are evolving rapidly into a post-industrial, knowledge-based society as we steadily shift from material- and labor-intensive products to knowledge-intensive services. Today's radically new system for creating wealth depends upon new knowledge. But knowledge can be created and applied only by the educated mind. Hence schools in general, and universities in particular, play increasingly important roles as our societies enter this new age.

Our economies, companies, and social institutions have become international, spanning the globe and interdependent with other nations and other peoples. Markets characterized by lowering trade barriers are creating global enterprises based upon business paradigms such as out-sourcing and off-shoring, a shift from public to private

equity investment, and declining loyalty to national or regional interests. Market pressures increasingly trump public policy, and hence the influence of national governments. As the recent report of the National Intelligence Council's 2020 Project has concluded, "The very magnitude and speed of change resulting from a globalizing world—apart from its precise character—will be a defining feature of the world out to 2020. *Globalization*—growing interconnectedness reflected in the expanded flows of information, technology, capital, goods, services, and people throughout the world—will become an overarching mega-trend, a force so ubiquitous that it will substantially shape all other major trends in the world of 2020." (National Intelligence Council, 2005)

It is this reality of the hyper-competitive, global, knowledge-driven economy of the twenty-first century that is stimulating the powerful forces that will reshape our society and challenge our nation. Today, a college degree has become a necessity for most careers, and graduate education is desirable for an increasing number. In the knowledge economy, the key asset driving corporate value is no longer physical capital or unskilled labor. Instead it is intellectual and human capital. This increasingly utilitarian view of higher education is reflected in public

policy. The National Governors Association notes that "The driving force behind the twenty-first century economy is knowledge, and developing human capital is the best way to ensure prosperity." (NGA, 2004) Education is becoming a powerful political force. Just as the *space race* of the 1960s stimulated major investments in research and education, the *skills race* of the twenty-first century may soon become the dominant domestic policy issue facing our nation. But there is an important difference here. The space

race galvanized public concern and concentrated national attention on educating "the best and brightest," the academically elite of our society. The skills race will value instead the knowledge of our entire work-force as a key to economic prosperity, national security, and social well-being.

As Tom Friedman stresses in his provocative book, *The World is Flat*, "The playing field is being leveled. Some three billion people who were out of the game have walked and often have run onto a level

playing field, from China, India, Russia, and Central Europe, from nations with rich educational heritages. The flattening of the world is moving ahead apace, and nothing is going to stop it. What can happen is a decline in our standard of living if more Americans are not empowered and educated to participate in a world where all the knowledge centers are being connected. We have within our society all the ingredients for American individuals to thrive in such a world, but if we squander these ingredients, we will stagnate." (Friedman, 2005)

Here we face the challenge of rapidly *changing demographics*. The populations of most developed nations in North America, Europe, and Asia are aging rapidly. In our nation today there are already more people over the age of 65 than teenagers, and this situation will continue for decades to come. Over the next decade the percentage of the population over 60 will grow to over 30% to 40% in the United States, and this aging population will increasingly shift social priorities to the needs and desires of the elderly (e.g., retirement security, health care, safety from crime and terrorism, and tax relief) rather than investing in the future through education and innovation.

However, the United States stands apart from the aging populations of Europe and Asia for one very important reason: our openness to *immigration*. In fact, over the past decade, immigration from Latin America and Asia contributed 53% of the growth in the United States population, exceeding that provided by births (National Information Center, 2006). This is expected to drive continued growth in our population from 300 million today to over 450 million by 2050, augmenting our aging population and stimulating productivity with new and young workers. As it has been so many times in its past, America is once again becoming a nation of immigrants. We benefit greatly from their energy, talents, and hope, even as the ethnic character of our nation changes. By the year 2030 current projections suggest that approximately 40% of Americans will be members of minority groups; by mid-century we will cease to have any single majority ethnic group. By any measure, we are evolving rapidly into a truly multicultural society with a remarkable cultural, racial, and ethnic diversity. This demographic revolution requires Americans to interact with people from every country of the world.

The increasing *diversity* of the American population is both one of our greatest strengths and most serious challenges as a nation. A diverse population gives us great vitality. However, the challenge of

Just as the space race of the 1960s stimulated major investments in research and education, the skills race of the twenty-first century may soon become the dominant domestic policy issue facing our nation.

increasing diversity is complicated by social and economic factors. Today, far from evolving toward one America, our society continues to be segregated and unable to assimilate minority and immigrant cultures. If our nation doesn't use the talents of all of our citizens, we are destined for increased social turbulence and a diminished role in the global community. Higher education plays an important role both in identifying and developing this talent. Yet many people are challenging long-accepted programs such as affirmative action and equal opportunity, programs that expand access to higher education to underrepresented communities and diversify our campuses and workplaces.

These factors are producing powerful *market forces* that are likely to drive a massive restructuring of the higher education enterprise, similar to that experienced by other economic sectors such as banking, transportation, communications, and energy. We are moving toward a revenue-driven, market-responsive higher education system because there is no way that our current tax system can support universal access to postsecondary education in the face of other compelling social priorities (particularly the needs of the aging). This is amplified by an accelerating influence of the market on higher education and a growing willingness on the part of political leaders to use market

forces as a means of restructuring higher education in order to increase the impact of the competition. Put another way, market forces are rapidly overwhelming public policy and public investment in determining the future course of higher education.

Yet the increasing dominance of market forces over public policy raises two important challenges. Whether a deliberate or involuntary response to the tightening fiscal constraints and changing priorities for public funds, the longstanding recognition that higher education is a public good, benefiting all of our society, is eroding. Both the

American public and its elected leaders increasingly view higher education as a private benefit that should be paid for by those who benefit most directly, namely the students. Without the constraints of public policy, earned and empowered by public investments, market

forces could so dominate and reshape the higher education enterprise that many of the most important values and traditions of the university could fall by the wayside, including its public purpose. As the late Frank Newman concluded: "A significant gap has developed between the public purposes of higher education, the needs of society that should be met by universities, and the actual performance of these institutions. The growing power of market forces will, in the absence of skilled intervention in the functioning of the market, make a difficult situation worse." (Newman, 2006)

Furthermore, while the competition within the higher education marketplace can drive quality, if not always efficiency, there is an important downside. The highly competitive nature of higher education in America, where universities compete for the best faculty, the best students, public and private financial support, athletic supremacy, and reputation, has created an environment that demands excellence. However, it has also created an intensely Darwinian, winner-take-all ecosystem in which the strongest and wealthiest institutions have become predators, raiding the best faculty and students of the less generously supported and more constrained public universities and manipulating federal research and financial policies to sustain a system in which the rich get richer and the poor get devoured (Duderstadt, 2005).

This ruthless and frequently *predatory competition* poses a particularly serious challenge to the nation's public research universities. These flagship institutions now find themselves caught between the rock of declining state support and the hard-place of the predatory rich private universities. As we have noted earlier, aging populations are not likely to give higher education a priority for state tax dollars for perhaps a generation or longer. Hence even as states are depending more on their public universities—expanding access to underserved communities, achieving world-class performance in research and graduate studies key to regional economic competitiveness—state appropriations are declining while demands for higher efficiency and accountability are intensifying.

In sharp contrast, due both to booming financial markets and favorable federal financial aid and tax policies, many private universities have managed to build endowments so large (at least on a per student basis) that they have become independent of the education marketplace (e.g., student tuition, R&D grants, even private support). This creates a serious competitive imbalance in the marketplace for the best faculty,

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students, and perhaps resources, since the wealth gap between the rich privates and flagship publics is growing ever larger. The situation is aggravated by political constraints on public universities—constraints on tuition, affirmative action, technology transfer, and globalization—that not only limit their agility, but also hinder their capacity to compete. The *plight of the public research university* is a serious challenge not only to the states, but to the nation as well, since these institutions represent the backbone of advanced education and research—they



produce most of the scientists, engineers, doctors, lawyers, and other knowledge professionals; conduct most of the research; and perform most of the public service sought by states. It would be a national disaster if the public research university were to deteriorate to the point where world-class research and advanced education could occur only in the 20 to 30 wealthiest private universities.

Finally, while we assess today's concerns and tomorrow's challenges and opportunities, we must also look to the past to remember and preserve those

enduring characteristics and contributions of the university. For a thousand years the university has been a learning community where both the young and the experienced could acquire not only knowledge and skills, but also the values and discipline of the educated mind. It has defended and propagated our cultural and intellectual heritage, while challenging our norms and beliefs. It has produced the leaders of our governments, commerce, and professions. It has both created and applied new knowledge to serve our society. And it has done so while preserving those values and principles so essential to academic learning: the freedom of inquiry, an openness to new ideas, a commitment to rigorous study, and a love of learning.

Beyond the triad mission of teaching, research, and service, universities are the chief agents of discovery, the major providers of basic research that underlies new technology and improved health care. As Frank Rhodes has observed, "Universities are the engines of economic growth, the custodians and transmitters of cultural heritage, the mentors of each new generation of entrants into every profession, the accreditors

of competency and skills, and the agents of personal understanding and societal transformation." (Rhodes, 1999) There seems little doubt that these roles will continue to be needed by our civilization. There is little doubt as well that the university, in some form, will be needed to provide them. The university of the twenty-first century may be as different from today's institutions as the research university is from the colonial college. But its continued evolution will be necessary to provide its ancient values and contributions to a changing world.

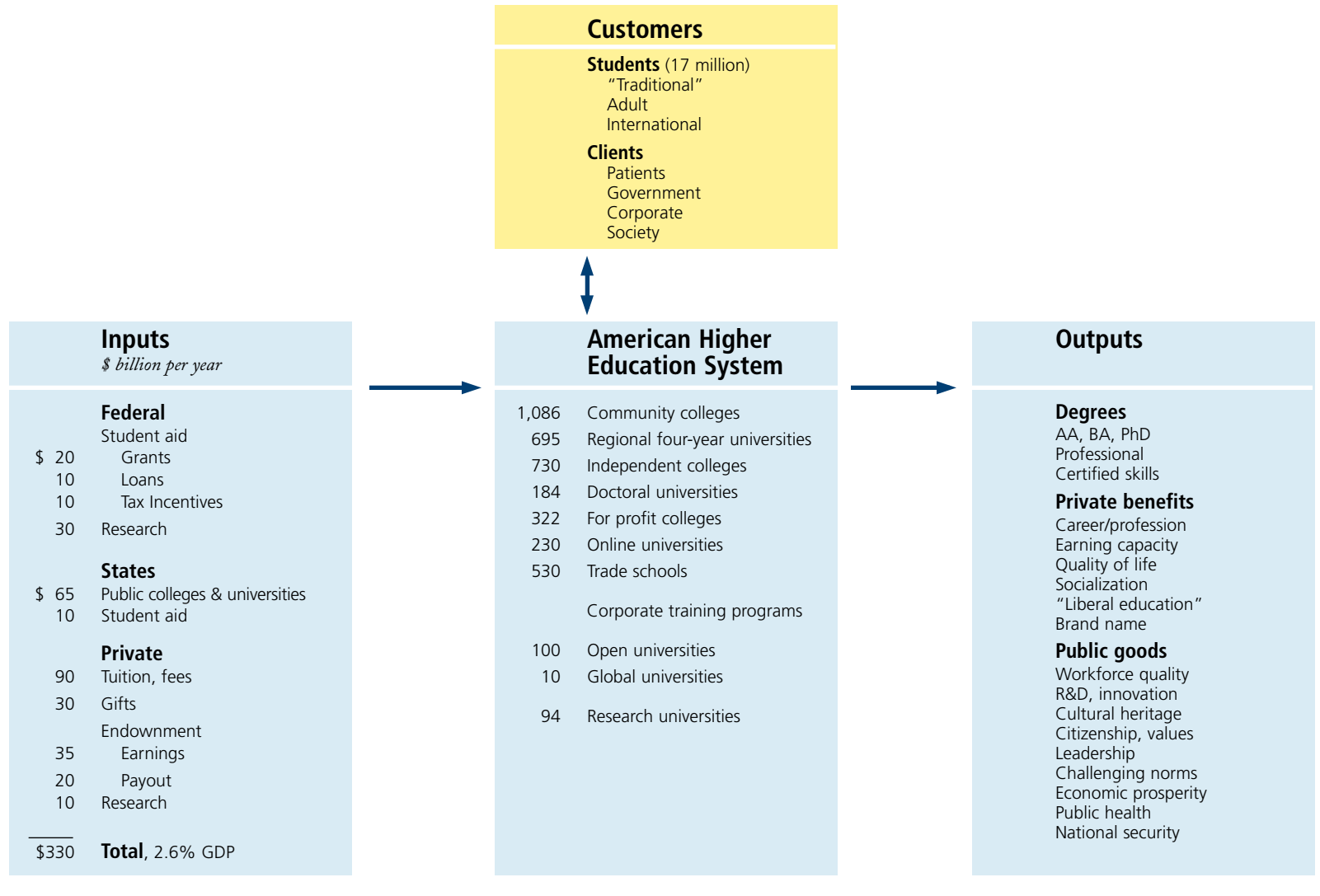
Governance and Leadership

Higher education in the United States is characterized both by its great diversity and an unusual degree of institutional autonomy—understandable in view of the limited role of the federal government in postsecondary education. As the *Economist* notes, "The strength of the American higher education system is that it has no system." (*Economist*, 2005) More generally, the strength of American higher education depends upon characteristics such as:

- The great diversity among institutions and missions.
- The balance among funding sources (private vs. public, state vs. federal).
- The influence of market forces (for students, faculty, resources, reputation).
- Its global character (attracting students and faculty from around the world)
- A limited federal role that leads to highly decentralized, market-sensitive, and agile institutions, students, and faculty.
- Supportive public policies (academic freedom, institutional autonomy, tax and research policies).
- The research partnership between universities, the federal government, and industry.

As a consequence the contemporary university is one of the most complex social institutions of our times. For example, the manner in which American higher education is supported is highly diverse, complex, and frequently misunderstood. In the simplest sense, today the United States spends roughly 2.6% of its GDP on higher education (\$330 B), with 55% of this (\$185 B) coming from private support, including tuition payments (\$90 B), philanthropic gifts (\$30 B), endowment earnings (\$35 B on the average), and revenue from auxiliary activities such as

The structure of American higher education



clinics and athletics (\$30 B). Public sources provide the remaining 45%: the states provide 24% (\$75 B) primarily through appropriations directly to public colleges and universities; the federal government provides the remaining 21% (\$70 B) through student financial aid, subsidized loans, and tax benefits (\$40 B) and research grants (\$30 B).

This very large dependence on private support—and hence the market-place—is unique to the United States, since in most other nations higher education is primarily supported (and managed) by government (90% or



greater). Thus on a per student basis, higher education in America is supported at about twice the level (\$20,545 per year) as it is in Europe (OECD, 2008). There is a caveat here, however, since roughly half of this cost is associated with non-instructional activities such as research, health care, agricultural extension, and economic development—missions unique to American universities. The actual instructional costs of American higher education are quite comparable to many European nations.

The university's external constituencies are both broad and complex, and

include not only students but also patients of its hospitals; federal, state, and local governments; business and industry; and the public at large. The university is not only accountable to this vast base of present stakeholders, it also must accept a stewardship to the past and a responsibility for future stakeholders. In many ways, the increasing complexity and diversity of the modern university and its many missions reflect the character of American and global society. Yet this diversity—indeed, incompatibility—of the values, needs, and expectations of the various constituencies served by higher education poses a major challenge.

Governance

The importance of the university to our society, its myriad activities and stakeholders, and the changing nature of the society it serves, all suggest the need for experienced, responsible, and enlightened university leadership, governance, and management. Here we should distinguish between leadership and management at the institution or academic-unit

level by administrative officers such as presidents, deans, and department chairs, and the governance of the institution itself by governing boards, statewide coordinating bodies, or state and federal government. The governance of public colleges, universities, and higher education systems is particularly complex, involving many organizations with responsibilities for not only the welfare of the institution but also for funding and regulating its activities and ensuring its public accountability.

At the most basic level, the principles embodied in the Constitution make matters of education an explicit state assignment. State governments have historically borne the primary role for supporting and governing public higher education in the United States. The states have distributed the responsibility and authority for the governance of public universities through a hierarchy of governing bodies including the legislature, state executive branch agencies, higher education coordinating boards, institutional governing boards, and institutional executive administrations.

American colleges and universities have long supported institutional governance involving public oversight and trusteeship by lay boards of citizens. Although these boards have both a legal status as well as fiduciary responsibility, their limited knowledge of academic matters leads them to delegate much of their authority to the university's administration for executive leadership and to the faculty for academic matters. Because of their lay character, university governing boards face a serious challenge in their attempts to understand and govern the increasingly complex nature of the university and its relationships to broader society. Boards must be attentive to the voluntary culture (some would say anarchy) of the university that responds far better to a process of consultation, communication, and collaboration than to the command-control-communication process familiar from business and industry. This situation is made even more difficult by the politics around governing boards, particularly in public universities, that not only distracts boards from their important work, but also discourages many experienced, talented, and dedicated citizens from serving on these bodies. The increasing intrusion of state and federal government in the affairs of the university, in the name of performance and public accountability, but all too frequently driven by political opportunism, can trample upon academic values and micromanage institutions into mediocrity. Furthermore, while the public expects its institutions to be managed effectively and efficiently, it weaves a web of constraints through public laws that make this difficult. Sunshine laws demand

that even the most sensitive business of the university must be conducted in the public arena, including the search for a president. State and federal laws entangle all aspects of the university in rules and regulations, from student admissions to financial accounting to environmental impact.

The great diversity of university governance—state government, coordinating boards, boards of trustees, faculty senates—suggests that the most appropriate governance structure would likely be unique for

each institution. Yet while this collegial style of governance has a long history both in this country and abroad, the extraordinary expansion of the roles and mission of the university over the past century has resulted in a contemporary institution with only the faintest resemblance to those in which shared governance first evolved. Despite dramatic changes in the nature of scholarship, pedagogy, and service to

society, today's university is run in a manner little different from the far simpler colleges of the early twentieth century. This situation is especially problematic for the contemporary public university facing an era of significant challenge and change.

While it may be impolitic to be so blunt on the campus, the simple fact of life is that the contemporary university is an extremely important and complex public corporation that must be governed with competence and accountability to benefit its diverse stakeholders. These public and private interests can be served only by a governing board that reflects the best practices of corporate boards, comprised of members with expertise commensurate with their fiduciary obligations, albeit with a deep understanding of the academic culture and values characterizing the university. And, like corporate boards, the quality and performance of university governing boards should be regularly assessed, and their members should be held accountable for their decisions and actions through legal and financial liability. This suggests the need for considerable restructuring of university governing boards, as illustrated in the diagram on page 27.

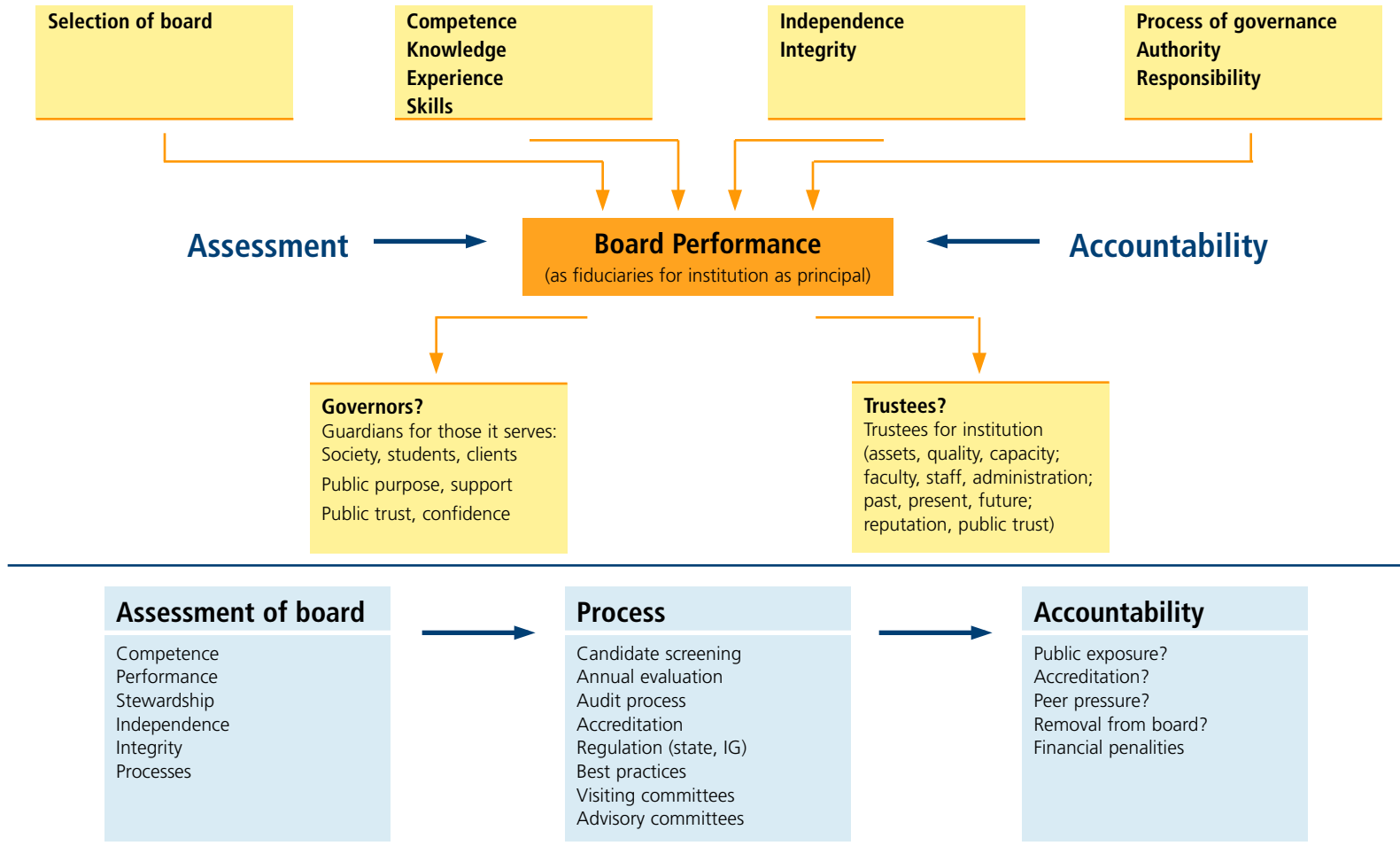
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Leadership

It is interesting to note that both the report of the Spellings Commission, *A Test of Leadership: Charting the Future of U.S. Higher Education*, and the report of the AGB Task Force on the State of the University Presidency, *The Leadership Imperative*, stressed the importance of “leadership.” Both recognized that for higher education to play the role it must during a period of challenge, opportunity, and responsibility, it must establish a stronger sense of trust and confidence on the part of the American public. Key in earning and sustaining this trust and confidence are university presidents, working in concert with their governing boards and faculties. No leader comes to personify an institution in the way a president does. A president must provide academic leadership at the same time he or she must assimilate and tell the institution's story to build pride internally and support externally. The president has primary responsibility for increasing public understanding and support for the institution as a contributor to the nation's continued vitality and well being (AGB, 2006).

Yet the ability to be an effective spokesperson for higher education in America is strongly dependent upon the governing boards' and faculties' support for the voice of the president (or at least their tolerance). Many universities find that the most formidable forces controlling their destiny are political in nature—from governments, governing boards, or perhaps even public opinion. Unfortunately, these bodies are not only usually highly reactive in nature, but they frequently either constrain the institution or drive it away from strategic objectives that would better serve society as a whole and in the long run. Many university presidents—particularly those of public universities—believe that the greatest barrier to change in their institutions lies in the manner in which they are governed, both from within and from without. University governance is more adept at protecting the past than preparing for the future. An earlier AGB effort highlighted these concerns when it concluded that the governance structure at most colleges and universities is inadequate. “At a time when higher education should be alert and nimble, it is slow and cautious instead, hindered by traditions and mechanisms of governing that do not allow the responsiveness and decisiveness the times require.” (AGB, 1996) The commission went on to note its belief that many university presidents were currently unable to lead their institutions effectively, since they were forced to operate from “one of the most anemic power bases of any of the major institutions in American society.”

Restructuring university governing boards to include assessment and accountability



A decade later the AGB Task Force on the university presidency found that the presidents of American colleges and universities still face impediments in their efforts to provide capable leadership, particularly on important national issues (AGB, 2006). The university presidency is all too frequently caught between these opposing forces, between external pressures and internal campus politics, between governing boards and faculty governance. Today there is an increasing sense that neither the lay governing board nor elected faculty governance has the

The glacial pace of university decision-making and academic change simply may not be responsive or strategic enough to allow the university to control its own destiny.

expertise and the discipline—not to mention the accountability—necessary to cope with the powerful social, economic, and technological forces driving change in our society and its institutions. The glacial pace of university decision-making and academic change simply may not be responsive or strategic enough to allow the university to control its own destiny. To strengthen the voice of the presidency and secure the ability to provide the necessary

leadership during a period of considerable change, challenge, and opportunity, the task force set out three imperatives:

1. To reconnect the president with the core academic mission of the university, i.e., learning and scholarship. The presidency is not simply just another CEO role, dominated by fund-raising or lobbying. Instead, academic leadership is a president's highest priority.
2. To urge boards, faculties, and presidents themselves to view the university presidency not as a career or a profession in and of itself, but rather as a calling of immense importance, similar to those of other forms of public service, deserving personal compensation and benefits appropriate to the academy.
3. To seek to establish what the AGB Task Force termed *integral leadership*: "A new style of collaborative but decisive leadership. A president must exert a presence that is purposeful and consultative, deliberative yet decisive, and capable of midcourse corrections as new challenges emerge. Integral leadership succeeds in fulfilling the multiple, disparate strands of presidential responsibility and conceives of these responsibilities as parts of

a coherent whole. Leadership of this sort links the president, the faculty, and the board together in a well-functioning partnership purposefully devoted to a well-defined, broadly affirmed institutional vision." (AGB, 2006)

In summary, today there remain many concerns about the governance and leadership of higher education, particularly for public colleges and universities. Many governing boards have become overly politicized, focusing more on oversight and accountability than on protecting and enhancing the capacity of their university to serve the changing and growing educational needs of our society. While faculty governance is critical in sustaining the consultative character of the university, it can also become cumbersome and possibly even irrelevant to the issues facing the contemporary university. University leadership, whether at the level of chairs, deans, or presidents, has insufficient authority to handle the powerful forces of change on higher education. And nowhere, either within the academy, at the level of governing boards, or in government policy, is there a serious discussion of the fundamental values so necessary to the nature and role of the public university.

To be sure, the contemporary university has many activities, many responsibilities, many constituencies, and many overlapping lines of authority, and from this perspective, shared governance models still have much to recommend them: a tradition of public oversight and trusteeship, shared collegial internal governance of academic matters, and experienced administrative leadership. But clearly the university of the twenty-first century will require new forms of governance and leadership capable of responding to the changing needs and emerging challenges of our society. Governing board members should be selected for their expertise and commitment and then held accountable for their performance and the welfare of their institutions. Faculty governance should focus on those issues of most direct concern to academic programs, and faculty members should be held accountable for their decisions. Our institutions must not only develop a tolerance for strong presidential leadership; they should demand it.

Remaining Questions, Concerns, and Caveats

Today American higher education faces many challenges, including:

- an increasing stratification of access to (and success in) quality higher education based on socioeconomic status;
- questionable achievement of acceptable student learning outcomes (including critical thinking ability, moral reasoning, communication skills, and quantitative literacy), cost containment, and productivity; and
- the institutions' ability to adapt to changes demanded by the emerging knowledge services economy, globalization, rapidly evolving technologies, an increasingly diverse and aging population, and an evolving marketplace characterized by new needs (e.g., lifelong learning), new providers (e.g., for-profit, cyber, and global universities), and new paradigms (e.g., competency-based educational models, distance learning, open educational resources).

Furthermore, while American research universities continue to provide the nation with global leadership in research, advanced education, and knowledge-intensive services such as health care, technology transfer, and innovation, this leadership is threatened by rising competition from abroad, by stagnant support of advanced education and research in key strategic areas such as science and engineering, and by the complacency and resistance to change of the academy.

Yet there remain many questions for those responsible for governing, supporting, leading, and providing higher education services to society. For example:

- What do people expect from higher education? Are these reasonable expectations or do they arise from a lack of understanding of the broad role of higher education? Perhaps more germane to a public agenda is the question of what people really need from higher education—including roles such as social criticism that are rarely valued at the time.
- To whom is the university responsible? To whom should it be held accountable? Students? The public? The taxpayer? The politicians? The media? How about responsibility and accountability to society at large? States? The nation? The world? Or framed in a different way, how would one prioritize accountability to the needs of the

present with being a responsible steward for past investments and commitments while also enabling our universities to serve future generations?

- Who should be held accountable for the performance and quality of higher education? Elected public officials such as governors and legislators? Governing boards? University faculties? University presidents? Football coaches (at least at some institutions...)?
- How does one persuade an aging population, most concerned with issues such as retirement security, health care, safety, and tax relief, that both their own welfare and their legacy to future generations depend on investing public resources in the strong support of higher education?
- In recent years there has been a trend toward expanding the role of state governments in shaping the course of higher education. Many of these accountability movements call on universities to narrow their goals to focus on near-term imperatives, such as more efficient classroom instruction, increased undergraduate enrollments, limiting tuition increases even as state support deteriorates. How can the broader purposes of higher education—such as creating the educated citizenry necessary for a democracy, preserving cultural assets for future generations, enabling social mobility, and being a responsible social critic—be acknowledged as public priorities by state leaders?
- Considering the eroding support and increasingly intrusive regulation directed toward public higher education, can state government continue as a responsible steward for our universities, which are also critical assets for broader society and the nation itself? Term-limited legislators and governors, political parties controlled by narrow special interest groups, and a body politic addicted to an entitlement economy have ceased to be reliable patrons of higher education in several states. Little wonder that governing boards are seeking more autonomy over decisions such as admission, tuition and fees, faculty and staff compensation, procurement, and other areas sometimes micromanaged by state government.
- What role should the federal government play in setting and achieving the public agenda for American higher education? While the states have primary responsibility for sustaining

public higher education, federal policies have frequently provided the primary stimulus for change through initiatives such as the Land Grant Acts, the GI Bill, the government-research partnership, and the extension of educational opportunities through the Higher Education Acts. What is a national agenda for higher education appropriate to prepare America for tomorrow?

So what are state governments, boards of trustees, and university leaders to do, as their academic institutions are buffeted by such powerful forces of change, and in the face of unpredictable futures? We should always begin with the basics, considering carefully those key roles and values that should be protected and preserved during a period of transformation.

For example, how would an institution prioritize among roles such as educating the young (e.g., undergraduate education), preserving and transmitting our culture (e.g., libraries, visual and performing arts), basic research and scholarship (e.g., graduate and professional education), and serving as a responsible critic of society? Similarly, what are the most important values to protect? Clearly academic freedom, an openness to new ideas, a commitment to rigorous study, and an aspiration to achieve excellence would be on the list for most institutions. But what about values and practices such as lay governing boards, shared governance, and tenure? Should these be preserved? At what expense?

Of course, we all aspire to excellence, but just how do we set our goals? The paradigm characterizing many elite institutions, which simply focuses more and more resources on fewer and fewer, does not seem to serve the broader needs of our society. Rather, the goal will be the development of unique missions for each of our institutions, missions that reflect not only their tradition

and their unique roles in serving society, but their core competency as well. If such differentiation occurs, then far greater emphasis should be placed on building alliances with other institutions that will allow them to focus on core competencies while relying on these alliances to address the broader and diverse needs of society.

University leaders should approach these issues concerning institutional transformation not as threats but rather as opportunities. True, the status quo is no longer an option. However, once we accept that change is inevitable, we can use it as a strategic opportunity to control our destiny, while preserving the most important of our values and our traditions. Visionary leaders can tap the energy created by threats such as the emerging for-profit marketplace and technology to engage their campuses and to lead their institutions in new directions that will reinforce and enhance their most important roles and values.

Yet consider one important caution: In its September 10, 2005, issue, the *Economist* summarized the status of higher education in America as follows:

“There is no shortage of things to marvel at in America’s higher-education system, from its robustness in the face of external shocks to its overall excellence. However, what particularly stands out is the system’s flexibility and its sheer diversity. It is all too easy to mock American academia. But it is easy to lose sight of the real story: that America has the best system of higher education in the world!” (Economist, 2005)

Hence, while higher education in the United States faces many challenges, responsibilities, and opportunities, those people responsible for the governance and leadership of American higher education—for establishing its public agenda and ensuring that it addresses these priorities—must always approach their task by heeding the admonition of the Hippocratic Oath: “First...and always...do no harm.”



True, the status quo is no longer an option. However, once we accept that change is inevitable, we can use it as a strategic opportunity to control our destiny, while preserving the most important of our values and traditions.

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This Line has been Disconnected: The Break Between Public Purpose and American Higher Education

The Needs

By now, it is pretty generally accepted, although not by everyone, that the United States faces a shortage of skilled workers in the near future. The population is aging, and younger generations will be hard-pressed to sustain an economy that depends on their earnings and productivity. Indeed, among the OECD nations, only in the U.S. and Germany is the population aged 45 to 54 better educated than that aged 25-34 (Organisation for Economic Co-operation and Development [OECD], 2006).

It also is clear that access to higher education is increasingly difficult for those of limited means, whose public school educations often range from indifferent to poor. The chances for education beyond high school diminish sharply for persons in the lower 40 percent of the population based on annual family income (American Community Survey, 2005).

Population forecasts for the next several decades indicate that growing numbers of young persons entering the workforce will be Hispanic in origin (U.S. Census Bureau, 2000). As a cohort, they are the least likely to finish high school, enroll in college, and graduate (National Center for Education Statistics, 2004). They and African Americans, who also move through the educational system at rates below those of whites, will be a substantial portion of tomorrow's workers. The white cohort will increasingly be older.

Community colleges often are assigned responsibility for the "other" population—whose family incomes are in the bottom 40 percent—but community colleges alone cannot be the solution to the access problems faced by states across the nation. First, of course, they don't offer four-year degrees. But more importantly, the chance of finishing a four-year degree is much lower for transfer students than for those who begin at a bachelor's degree-granting institution.

We need a diverse set of higher education institutions ranging from community colleges to research universities, with admissions policies ranging from open to highly selective. Especially among public universities, we need a clear mission differentiation to ensure that institutions are responsive to the social and economic needs of their regions and to the full range of people who can benefit from their services.

Gordon K. Davies

*Former Director of the
State Council of Higher Education for Virginia
(1977–1997)*

*President, Kentucky Council for
Postsecondary Education
(1988–2002)*

This would mean, for example, that regional universities should not end programs in teacher preparation and nursing when the schools and health care facilities in their regions need more teachers and nurses.

It would mean that public universities would not be encouraged to emulate highly selective private universities, not because there is something wrong with highly selective private universities but because the two have different missions.

Unfortunately, public universities have almost no incentive to be responsive to their regions. As James Votruba, president of Northern Kentucky University, has pointed out, the recent discussions of performance standards in higher education have been silent about regional responsibility. “I’ve found no state that collects and reports productivity data related to public engagement activity,” he writes. “For reporting purposes, it’s as if no such activity exists.” (American Association of State Colleges and Universities [AASCU], 2004.)

In a subsequent article, Votruba reports that the “Kentucky Council on Postsecondary Education has created the Regional Stewardship Trust Fund designed to provide each regional university \$1 million annually to address challenges that confront the communities they serve.” (Votruba, 2005, 269.) The money actually appropriated to the fund has been much less than recommended, with an average of about \$300,000 per institution.

Understandably, institutions do what they are rewarded for doing. (“Follow the money.”) If meeting the needs of communities and those who live in them is an expense rather than a revenue-producing activity, it will not receive more than lip service. The standard mission of universities includes “teaching, research, and public service.” But there is revenue to be earned in teaching and research, and almost none in public service. So it is random, uncoordinated, and unimportant.

What have become important are measures of prestige, and these tend to focus on top-ranked programs, selectivity in admissions, and research volume. Universities, in their scramble to get more applications so they can reject more applicants, to win more recognition for selected academic programs, and to be among the top 30 (or even 100!) research institutions, tend to lose sight of their importance to the regions in which they live.

As Votruba writes, in today’s global economy, “place has become more important than ever.... Because in the New Economy, where knowledge is the most important commodity, victory will go to



Session 2 panelists, top to bottom: Gordon Davies, Reggie Robinson, and Peter Blake

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regions and communities that can recruit, develop, and retain a well-educated and creative workforce.” To do this, they will need partnerships with the local universities (AASCU, 2004, 3).

This is the irony: An essential response to a global economy is to strengthen localities. Perhaps some universities should start campuses in Qatar or Singapore, but many more should focus on helping their regions adapt and prosper. Perhaps a few universities should be highly selective, but most should be open to as many people as possible who want and can benefit from education beyond high school.

One standard of excellence is rarely, if ever, invoked: “These colleges and universities meet the needs of their state, and the differing needs of its regions, as well or better than the institutions of any other state.”

Not Your Usual Performance Indicators

This conference is being held in Virginia, so let’s review some performance indicators for its colleges and universities.

- Twice as many 18 to 24 year olds from the highest quintile of family income are enrolled in college as from the lowest quintile (American Community Survey [ACS], 2005).
- About 700,000 persons between 16 and 64 have not finished high school and are not enrolled. About 13,000 persons receive the GED each year but about 10,000 drop out of school (U.S. Census Bureau, 2000).
- The gap in educational attainment between Virginia’s most-educated and least-educated counties was 61.3%—the biggest gap in the nation (ibid).
- The gap in personal annual income was \$28,264—the fourth highest in the country (ibid).
- Virginia has the sixth lowest percentage among the states of students receiving Pell Grants (National Center for Education Statistics [NCES], 1999–2000 and 2004–2005).
- In FY 2005, 11.3% of students at Yale received Pell Grants and other federal aid. Virginia had five public institutions with lower percentages: the University of Virginia, William and Mary, Mary Washington, James Madison, and Virginia Tech (ibid).

- Between 1999–2000 and 2004–05, the percent of students at Virginia Tech receiving federal financial aid dropped from 40% to 10% (ibid).
- While 30% of the students at the University of California at Berkeley, a major research institution, receive federal aid, ten of Virginia’s 15 public universities enroll fewer than 20% who receive federal aid (ibid).

Here is a set of public universities, not really a “system” in any real sense, that is becoming more elite at the cost of not serving the full population of Virginia and all of its regions. Having two institutions (U.Va. and William and Mary) designated as “public Ivies” a few decades ago was an honor *because they were part of a balanced system of institutions within which there were places for everyone*. Having many, if not most, public universities aspire to elite private institution levels of selectivity is a serious error and a sign of a reward system gone wrong.

While the data are unique to Virginia, most states have a lot in common. Every state is different, but none is as different as it may think it is.

Kentucky, for instance, has a population of about 4,000,000 and two research universities (the University of Kentucky and the University of Louisville). That would seem to be enough in a small state, especially one in which literacy in the workforce remains a problem and the per capita income is only about 80 percent of the national average. Yet at least one of the regional universities has announced its intention to become the state’s third research university.

The University of California in Irvine has announced plans to open a law school, saying that while the state has plenty of lawyers, it does not have enough good lawyers.

Waste and meaningless ambition are almost everywhere.

We learned years ago that it was wrong to assume that “What is good for General Motors is good for the nation.” It also is wrong to assume that what is good for individual universities is good for a state or the nation. If the poor and the needy, people with educational disadvantages who are not members of the upper middle class, are not the responsibility of at least some universities as well as community colleges, they will not be served.

Then we are betting that we can compete in this global economy by educating a technological elite and ignoring the masses. China is

making this bet. So is India. But they are much larger populations than ours. For the United States, and for individual states, is this an economically responsible bet? Is it a morally responsible choice?

The U.S. has largely ceased to be a manufacturer of items used in this country. (Try to find an item in a local mega-store that is not made in some other country, especially China.) Now it is moving sophisticated



jobs in finance and advanced technology abroad for the same reason: lower personnel costs. “Why do we need more engineers and scientists, or even college graduates in general,” the argument goes, “when China, India, and other countries are producing a surplus of them to whom we can export work?”

Here we are, then, with many of our universities beguiled by an emphasis on elitism and exclusivity, and with state reward systems that tend either to reward elitism or to ignore the issue altogether. Are there any efforts to re-connect public universities with public needs?

There has been one, indeed: the Spellings Commission. Its report was issued about a year and a half ago, though, and it appears to be caught up in the muck of administration change in Washington. Its future is uncertain.

The Commission did not explicitly address what the American Association

of State Colleges and Universities calls “public engagement” in regional and community affairs. But it did identify four issues facing higher education today, and these speak to public engagement:

1. Access
2. Affordability
3. Quality
4. Accountability

These issues will remain with us whatever the fate of the Spellings Commission Report. They are essentially the issues raised by the Kentucky Council for Postsecondary Education almost a decade ago as “Five questions we all must answer”:

1. Are more Kentuckians ready for postsecondary education?
2. Are more students enrolling?
3. Are more students advancing through the system?
4. Are we preparing Kentuckians for life and work?
5. Are Kentucky’s communities and economy benefiting?

The Spellings Commission correctly concluded that American higher education could do more to meet its responsibilities. It based its conclusion on such factors as low rates of college enrollment and completion, price increases that exceeded inflation, disregard for cost-effectiveness, complex and often inequitable financial aid programs, and failure to assess student learning. It did not identify the race to become exclusive as a sign of failure, but it could have.

The Commission’s report evoked mostly skepticism and hostility from the higher education community, in part because the most visible institutions in the country are elite and highly selective. The four issues identified are largely irrelevant to them. Moreover, because so many universities now are “wannabes” seeking to emulate the elite and highly selective, they are unwilling to address these issues (or, on a practical level, the questions asked by the Kentucky Council).

The current spate of publicity about prestigious universities declaring themselves “free” to young people whose family incomes are below a certain level is a case in point. The most selective institutions in the country enroll only a tiny percentage of the 18 million people who attend higher education. The fact that Harvard is “free” makes no difference to almost all needy high school graduates in rural regions of any state. Neither does many of the “wannabes” extending the same offer.

“The University of Virginia may be a superb place,” a Virginia elected official said to me some years ago. “But no one from Patrick County [a rural county on the border with North Carolina] goes to the University of Virginia.” With a few exceptions, she was right. People with lower

than average annual earnings pay taxes to subsidize universities that do not serve them. Public universities in states like Virginia have become a benefit for the more affluent residents. It's upside-down.

Re-Connecting

In 1988, Governor Gerald L. Baliles proposed, and the Virginia General Assembly approved, creation of a Commission on the University of the Twenty-first Century. The Commission, composed of Virginians and national higher education leaders, issued its report, *The Case for Change*, a year later. Among other recommendations, the Commission urged greater participation in higher education and an emphasis on the skills and knowledge future generations would need to live productive and satisfying lives while contributing to the well-being of communities, the state, and the nation.

After his term as Governor, Baliles served as Chair of the SREB Commission for Educational Quality. In that capacity, he presided over the publication of *Changing States: Higher Education and the Public Good* and a video entitled *Pink Slips or Greenbacks*. Both emphasized the critical contributions of higher education to individual lives and our collective well-being.

The two reports make it clear that the changes we face today didn't just happen. As Governor Baliles correctly sensed, higher education's role was beginning to

change more than 20 years ago. Not only have we not paid attention, we have moved in the wrong direction.

Probably dozens, even hundreds, of public university presidents and boards would gladly engage in local and regional partnerships, and would undertake (although with some trepidation) to answer

As Governor Baliles correctly sensed, higher education's role was beginning to change more than 20 years ago. Not only have we not paid attention, we have moved in the wrong direction.



Virginia Governor Kaine
with former Governor Baliles

Kentucky's questions and the Spellings Commission's criticism. But there are no rewards for doing so: no recognition and no funding. As James Votruba observes, there aren't even any performance measures of regional engagement.

Could that be changed? Yes. Would it be easy? No.

The first step, obviously, is to create different performance measures. The second step is to fund them: to pay for the performance we want. How might these changes come about?

1. We know that persistence is a problem, so perhaps paying institutions for the students they graduate rather than for those they enroll is a good idea. In 1998, Kentucky began paying universities for students who returned for the second year of study rather than for those who began the first year, because most attrition occurs during the first year and before the second. Retention rates quickly began to improve.

States will have to deal with some knotty problems here for community colleges, because "completion" in the traditional sense (a degree or certificate, for instance) is not the goal of many of their students. A person who transfers to a university or is employed as an HVAC technician before receiving her degree may be said to have completed study at a community college. The "pull" of the university or a job in her chosen field needs to be considered in determining whether she has accomplished her goals.

2. States that want public universities to enroll students from all socio-economic levels, rather than simply competing with one another for the upper income pool, might consider funding formulae that are weighted toward prospective students from lower socio-economic levels—both their admission and their retention to completion of a degree.

The often-maligned practice of declaring the top ten percent of graduates from every high school eligible to enroll in flagship universities might have considerable merit, especially if universities were paid for successful completion.

3. Successful public engagement is not easy to measure or reward. Northern Kentucky University has established a competitive program that makes small grants to departments for regional

and community projects (applied research, technical assistance, impact assessments, seminars, and others). The projects themselves are funded and the department receives an overhead payment to help support its activities.

States that are interested in public engagement might consider Kentucky's Regional Stewardship Trust Fund as a model. Here again, though, the state should decide up front on the standards by which to assess university involvement. A Stewardship Trust could easily become a slush fund if not held to clear and measurable standards.

4. States need to assess the quality of what public colleges and universities do. What are students learning? Is the research being done valuable to the state? (To my knowledge, there is only anecdotal evidence that university research benefits state economies. Yet state investment in equipment, facilities, and direct support of research is substantial.) Is the combination of a better educated citizenry and public engagement making a difference in communities and regions of the state?

It is interesting that many of the same universities that aspire to campuses in Qatar and Singapore are adamantly opposed to the OECD's current consideration of an international assessment of student learning. A common assessment cannot, many university leaders argue, take into account the great diversity among institutions.

But surely, instruments like CLA (the Collegiate Learning Assessment) seek to measure abilities that all students should acquire, regardless of differences among institutions. If OECD decides to develop an instrument to assess student learning across nations, it could help to develop a new perspective on higher education and its links to the global economy.

5. But the most important change, and the most difficult, is to change the way states have come to view higher education. For decades after World War II, higher education was viewed as both a public and a private good. Higher education equipped individuals to live better, more responsible lives, while helping to build a stronger social and economic structure from localities to the nation as a whole. Higher education then was an economic equalizer. (We still are working on racial and gender

equality.) Now it has become a contributor to the growing economic inequality in our nation.

States need to re-assert control over their public colleges and universities, to make them once again members of coordinated systems with clearly defined missions. What is good for individual universities is not necessarily what is good for people and their communities, or for states and the nation as a whole.

Higher education is just one part of our social fabric. Around the turn of the century, Kentucky mapped the incidence of diseases (lung cancer, heart failure, diabetes), children living in poverty, unmarried teen-age mothers, child abuse, unemployment, and crime. They all correlated closely with poor educational attainment. Higher education plays a central role in the public health of Kentucky, and probably in other states as well. It should be coordinated as a system in itself, and it should work in partnership with the providers of other essential state services.

It will not be easy to shift our view of higher education in this way. But we saw this coming at least two decades ago. This is a new century with new challenges. We need to think differently about higher education.

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Excellence at Scale: What is required of public leadership and governance in higher education?

Excellence at scale in higher education has become an urgent national priority. Its urgency is driven by substantial educational progress in other countries, the accelerating mobility of jobs and capital around the globe, the high standard of living and cost of labor in the United States, and growing environmental, political, and social challenges. These factors collectively have made postsecondary education and lifelong learning essential for adults seeking stable employment and productive citizenship.

While educators and policymakers still debate causes, solutions, and even the seriousness of the challenge, most agree about the core issue and ultimate goal: Now more than ever before, the future of the United States depends on the knowledge and skill of our people. To maintain our standard of living and cope with an increasingly complex world, the people of the United States must be second to no other nation in educational attainment and in discovery and innovation.

Clearly, the bar defining excellence in higher education has been raised. The great achievements of American higher education in the past century lay a strong foundation for future achievement, but do not allow us to rest on our laurels. One study of growing educational attainment in other countries estimates that the United States must produce one million more degrees and certificates every year for it to lead the world in educational attainment by 2025. Our universities still lead the world in discovery and innovation, but other nations are catching up by building research infrastructure and developing scientific talent. We cannot sustain leadership in postsecondary education without reaching higher levels of performance.

During the past five years, a series of national commissions and study panels have addressed the issues facing higher education. The sponsors—the Association of Governing Boards, the Business-Higher Education Forum, the National Academies, the National Conference of State Legislatures, the National Governors Association, the Secretary of Education, and the State Higher Education Executive Officers—indicate the breadth and depth of the concern.

Federal and state policymakers and educators at every level must help achieve higher quality and more widespread educational attainment, without diminishing higher education's essential contributions in advancing knowledge and fostering free inquiry and debate. While this challenge has implications for everyone involved in the educational system, the roles of state policymakers and the trustees of public colleges and universities are the focus of this paper.

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The division of labor—government, trustees, and educators

The roles of government, trustees, and educators in higher education range from those of elected governmental leaders to those of faculty. The responsibility of elected governmental leaders is to determine public purposes, and then to enact laws as well as raise and allocate public funds to achieve those public purposes. In that role, governors and legislators determine how many public institutions exist, where they are located, how much public support they receive, and how that support is allocated. At the other end of the continuum, the faculty is responsible for determining the content of instruction and research, standards for certificate/degree attainment, and policies and practices in classrooms and labs.

In between these roles lie many crucial operational responsibilities: who is employed and under what terms; what programs of study are offered; what criteria are used to evaluate performance; etc. Many challenging questions of higher education governance exist in this “middle ground” between government and faculty responsibilities—the territory occupied by trustees and institutional leaders. These domains of responsibility are distinctively different and interdependent.

In a highly effective system of higher education, government, trustees, institutional leaders, and faculty will work for common purposes, focus on their primary responsibilities, and honor the others’ roles and the boundaries between them. New challenges, such as those now facing the United States, require everyone involved to reconsider their roles, their fundamental goals, and how they seek to advance the broad public purposes of higher education.

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The central issue of public higher education governance

Although the details get very complicated, the fundamental question faced by political leaders in higher education policy is straightforward: How can the state properly achieve two overarching goals: 1) excellence in instruction, research, and public service; and 2) responsiveness to public priorities and needs?

The American system of higher education, as well as every other national system that competes effectively with it, provides a substantial amount of autonomy and flexibility to institutions. In advanced nations the public generally has relied on professional expertise for making both large and small decisions about what should be taught and studied, who gets into college, and what it takes to earn a degree. All over the world, colleges and universities have been given significant autonomy and freedom for only one reason—it is necessary for excellence.



At the same time, the states and the national government collectively spend about \$175 billion annually to support higher education in order to meet public priorities—the education of our people and research and services to address important human problems. The public is deeply concerned with both the effectiveness and cost-effectiveness of higher education. Higher education’s responsiveness to public priorities is a serious matter. States and the federal government seek to balance “autonomy for excellence” with “accountability for results” through various mechanisms, including:

1. Regulatory laws, some of which affect all institutions, public or private, and some of which affect just public institutions,
2. The allocation of public funds for specific or broad purposes,
3. The use of citizen governing boards established by state charter, statute, or constitution, rather than direct governmental oversight of colleges and universities,
4. The direct election or appointment and/or confirmation of board members for public institutions by governors and legislators, typically to staggered terms of office,
5. Statewide governing boards and public university systems to govern groups of individual institutions, and
6. Statewide coordinating boards given responsibility for promoting public priorities by advising the governor and legislature and coordinating separately governed institutions through certain regulatory powers.

In essence, these mechanisms are designed to assure public accountability while stopping short of making higher education a governmental function like law enforcement, transportation, or public welfare. Higher education in the United States has become a relatively autonomous “social institution,” publicly and privately supported, rather than a direct governmental service. For both philosophical and practical reasons, the states have invented various checks and balances to insulate higher education from partisan politics while assuring public accountability. But all social institutions, including higher education, need to adapt to changing conditions such as those now facing the United States. It is time to review the mechanisms we employ to set and pursue priorities in American higher education.

What are the strengths and weaknesses of various approaches?

Several key ingredients must be present for system effectiveness, regardless of the specific formal structure used. These include: strategic vision, shared responsibility, leadership, professional capacity, trust, focus on priorities, the availability of solid information, and consensus-building ability. Governance structure may help or hinder educational progress, but if these other ingredients are not present, changing the structure will not accomplish much. That said, it is useful to review various structural approaches and their strengths and limitations.

With the exception of Michigan, all states have a statewide governing board, a statewide coordinating board, or in a few cases, both types of boards performing different functions. Most of these boards, whether coordinating or governing, are designed to connect business and civic leaders to the higher education public policy dialogue, and to provide a permanent forum for higher education policy that is partially insulated from the partisan political process.

Statewide governing boards

In twenty states, the formal structure of statewide governing boards provides a single, authoritative “chain of command” from the board to the chief executive of every university in the state system—and in a dozen of these twenty states, the two-year colleges as well. This formal power is its strength from the public accountability perspective; the ability to hire and fire can be an asset when seeking to make broad scale improvements.

Some statewide governing boards have strong executive leaders, frequently with the title Chancellor or President, who play significant roles in developing system strategy, allocating resources, and evaluating the performance of institutional chief executives. Others have used an Executive Director or Executive Secretary, with institutional presidents reporting directly to the board. Where there is no strong executive, statewide governing boards have tended to focus on institutional issues more than on a statewide agenda.

The fiduciary responsibilities of statewide governing boards require them to deal with a broad range of personnel and contractual issues in addition to broad statewide questions of policy and resource allocation. While some boards have been quite effective in dealing

with both a public policy agenda and the ever-present demands of institutional governance, the broader public agenda may get short shrift if it is not a conscious priority.

Institutional leaders in statewide or large systems may complain privately (or publicly) about system constraints. Most presidents seem to prefer having his or her own board and the perceived or actual autonomy that it may provide.



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Many statewide coordinating boards were created to guide the expansion of higher education in the 1960s and to give legislatures and governors professional advice and a means of limiting the number of academic, fiscal, and planning issues requiring resolution in the political arena.

The weakness of statewide coordinating boards lies in their limited formal authority. For them to work well, coordinating boards must be supported both by formal statutes and informal relationships that give

them the leverage required for effective coordination. To be effective, coordinating boards and their staffs must be able to work in the center of a triangle consisting of three key constituencies—the governor, the legislature, and the higher education community.

An effective coordinating board must be an honest broker among these three constituencies, two of whom have formal responsibility and authority for deciding public policy; the third, higher education, has a modestly constrained, but meaningful degree of autonomy by virtue of professional standing, expertise, and social value. All three constituencies have a stake in and influence over the effectiveness of the broker, whose effectiveness can be diminished if its role is disregarded, its capacity eroded, or if it is perceived as no longer serving one of the constituencies fairly.

It is especially crucial for the governor and legislature, while reserving their right to make final decisions on fundamental questions, to use the advice of a coordinating board. Otherwise, such boards are too weak to make significant contributions. If the quality of a coordinating board's work does not command the respect of political decision-makers, the board should either be strengthened or eliminated in favor of another approach.

The coordinating board also needs credibility within the institutional community. The board must be deeply and obviously committed to the public interest in higher education, which includes advocacy as well as accountability. The proper balance usually means both government and higher education will be challenged by the coordinating board to contribute and perform at higher levels.

Gubernatorial and legislative leadership—its importance, and its limits

Governors have unmatched power to set an agenda for higher education and to mobilize other political and civic leaders in pursuit of that agenda. In most states, governors are the most powerful influence for allocating state funds and shaping tax policy, even though they must accommodate legislative agendas and win legislative support for their programs.

Legislatures tend to “dispose” more than “propose,” but they do more than react to gubernatorial leadership. They shape public policy for higher education in many ways, including creating a demand for improvement, setting the terms of accountability, and allocating public funds.

While their powers are great, governors and legislatures are constrained by constitutions, by the opposition of their political opponents, by the economic and fiscal conditions in their state, by the continuous need to garner support and achieve re-election, by limits to the length of their tenure, and by the deliberative and contentious aspects of the political process. In addition to these limitations, governors and legislators have many other responsibilities. No governor or legislature can sustain deep involvement in any single area, and it is very difficult for them to concentrate their powers on a single issue.

Higher education may not deliver if political leaders make it a priority, and they cannot count on widespread support if they do make higher education a priority. These are formidable challenges for political leaders who wish to improve higher education.



If anything, these constraints are greater in higher education public policy. The governor is unable to direct change in higher education by executive order. The powers for governing institutions typically are vested in separately appointed or elected boards. The tradition of shared governance among trustees, administrators, and faculty imposes process requirements, even if not legal constraints, for decision-making at the institutional level. And the constituency for higher education is not as broad or universal as that of other public priorities, such as transportation or K-12 education.

These factors combined can make policy leadership and expanded support of higher education a high-risk, low-reward proposition for a governor or legislative leader. Higher education may not deliver if political leaders don't make it a priority, and they cannot count on widespread support if they *do* make higher education a priority. These are formidable challenges for political leaders who wish to improve higher education.

Gubernatorial involvement in statewide governance or coordination

Governors, who are key actors in every state, vary in the amount of influence and formal authority they have over the appointments of state level higher education leaders. Most governors have the authority to appoint statewide board members, and a few hold *ex officio* memberships on state boards. In the United States, all statewide governing board chief executives report to the board, not the governor, but in seven states the governor has a direct role, sometimes complete authority, to appoint the chief executive of the state coordinating board.

Are gubernatorial appointment powers critical to a governor's influence over higher education policy? They can help, but the governor's *other* powers—to influence, sign, or veto legislation; to set an agenda; and to influence the budget—are fundamentally more significant. All governors, including the 43 with a limited or indirect role over higher education governance and coordination, rely on these tools. These powers—and the *limits* of these powers—are instrumental in shaping what governors can accomplish.

A state higher education executive appointed by the governor obviously enjoys the weight of the governor's authority in any undertaking, and the governor has great leverage over the state's higher education agency. The legal powers of the agency and the amount of energy and attention the governor gives to higher education shape the dynamics in these situations. In a few states the agency controlled by the governor has powers more limited than those of the typical coordinating board. But when an agency controlled by the governor has substantial powers (such as in Colorado and Ohio), the governor has considerably more leverage over higher education policy, if he or she chooses to use it.

In the context of higher education's current challenges, active gubernatorial engagement can be a powerful tool for advancing necessary change. Not surprisingly, the practice of vesting more direct powers over higher education in the state's executive branch is growing in popularity. But the expansion and concentration of policy power in the executive branch has some potential drawbacks:

- If the governor is distracted by other priorities or has little interest in higher education, he or she may not appoint a person of stature to agency leadership, or neglect sustaining the technical expertise required for making sound policy decisions;

- The chief executive of the state agency is term-limited along with the governor, and as a result the agency may lose momentum near the end of term, when the outcome of the next election is in doubt, or during the months-long transition between governors;
- The governor's staff may not have the stature and independence required to give unbiased or challenging feedback;
- Partisan electoral politics may play an inappropriate role in policy decision-making;
- Any initiative or success achieved by the governor is more at risk after his or her term ends due to the personal element in the political process; and
- The governor, for legitimate political reasons, may not wish to bear complete responsibility for difficult decisions (it can be useful to share power).

In the majority of states, it is still the coordinating or statewide governing board that appoints the state higher education executive without direct (although sometimes indirect) gubernatorial influence. Finding leaders for these challenging jobs with the necessary experience and talent in both higher education and public policy, however, seems to be increasingly difficult. Both political and higher education leaders have a stake in developing talented professionals who can be successful in these positions and structuring these jobs so they are attractive career opportunities.

The advantages and disadvantages of expanding the role of the executive branch warrant consideration as legislators and governors consider the mechanisms most likely to help their state improve the quality and scope of higher education. The 2005 report, *State Capacity for Higher Education Policy*, written by the National Center for Higher Education and Public Policy with the help of an outside working group, argues that strong, analytical, credible, broad-based public entities are needed to advance a statewide policy leadership agenda. Such an entity would have budgetary authority, the stature to engage the state's top leaders, and the analytical capacity to judge statewide and institutional performance. This entity would leave institutional governance to institutional and system governing boards, allowing freedom for individual judgment and creativity at the campus level within the context of the statewide policy agenda.

While the report stops short of labeling the entity it proposes, the responsibilities and powers it describes are those of a strong coordinating board. Such boards are accountable to the public interest in higher education, while providing independent advice to political leaders, and receiving from them either delegated powers or implicit authority bestowed on trusted advisors.

Regardless of whether a state has a coordinating or governing board, all governors can employ common strategies to strengthen innovation, performance, and accountability in higher education governance. Four key steps (based on a dialogue involving the staff of the National Governors Association and the Association of Governing Boards of Universities and Colleges) include:

- Establish a shared set of state priorities through a broad agenda-setting conversation with legislators, presidents, governing boards and other stakeholders;
- Show that competence and stature trump politics in the selection of the citizen volunteers who serve on public college and university governing boards;
- Embrace accountability and transparency by ensuring that governing and coordinating board members understand their fundamental fiduciary responsibility and conduct their business according to the highest standards of public service; and
- Invest limited resources effectively by encouraging public higher education institutions to examine their cost structures, market conditions, and methods of delivering educational services.

These steps, coupled with a persistent resolve, will advance a higher education system to higher levels of innovation and effectiveness.

The vital role of trusteeship in achieving excellence at scale

Nine years ago, the Education Commission of the States published *Transforming Postsecondary Education for the 21st Century: The Nuts and Bolts of Policy Leadership*, an excellent, in-depth consideration of the issues addressed in this paper. In many respects the ECS study and the initiatives it described make a strong case for political leadership in advancing the quality and scope of higher education in the United States. But the experience of the past decade also illustrates the importance of broadening reform and embedding necessary changes

deeply into the fabric of higher education. Many initiatives have fallen short of their aspirations and objectives because they have not achieved the support of faculty and institutional leaders. Others have lost momentum or been set aside when states encountered fiscal problems or the next generation of leaders had different priorities.

The challenges facing higher education here and elsewhere require a long term vision, sustained focus, and deeply embedded commitment within colleges and universities. The members of state coordinating boards and governing boards, whether they oversee all, some, or just a single institution, have an indispensable role to play. Are they up to the task?

Perhaps chief among the many leadership challenges facing public governing boards is the inherent ambiguity arising from the constant tug between institutional aspirations and state needs and priorities. Board members are often criticized for being in one of two camps—either too close to the appointing authority, the governor or legislature, or too close to the university administration—and many members seem unable to balance the interests of the public and the state with those of the institution or university system. Such perceptions, often accurate, arise in part because of unclear or conflicting

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expectations of what is required of a trustee. A clearly written set of expectations and responsibilities can help, but so would better board orientation and education programs that, in addition to offering the basics on trusteeship, would engage board members on the education challenges facing the nation, states, and ultimately, their institutions.

The board's ability to govern effectively given the inherent ambiguity in public governance requires a degree of policy independence. Policy independence is the capacity of a board to fashion reasoned, responsible policy in an environment comprised of several (often times, competing) demands from internal and external stakeholders. A board should rarely pass major policy decisions, say, for example, on costly new academic programs, up the ladder to elected leaders

(or to the coordinating board if it is a governing board) or down to the faculty. While elected leaders or a coordinating board may later disagree, it is the board's responsibility to exercise due diligence and make tough decisions itself, using trust, leadership, and the availability of solid information. A willingness to address cost-effectiveness, which has risen to the top of policymakers' agendas, is another example of the board's need to make tough decisions. Political leaders have sent strong signals to institutions and governing boards that they must address cost management issues, or Congress or the statehouses will.

Since higher education means so much to states and society, elected leaders may be impatient with boards. Although not unexpected, this can be discouraging. Higher education has become too important to the civic and economic life of the states to simply be left to its own devices. But impatience can lead to unwarranted political intrusion. As noted earlier, it is both difficult and unwise for governors and legislators to control higher education directly. But when a board botches a presidential search, contributes to a fiscal crisis, or ignores an academic integrity issue, that board invites the intrusion of elected leaders and risks its independence.

Board selection poses another leadership challenge. Other than rearranging governance structures (which rarely makes much difference), appointing board members is the most direct way elected leaders can have influence. Paying more careful attention to selection is necessary for improving board performance. Often governors take this responsibility seriously and select strong candidates. But board nominees can also become pawns in a high stakes game between the legislature and the governor, both on initial appointments and re-appointments. And board seats can still be doled out to less deserving citizens on the basis of political connections or contributions. Building greater merit into the appointment process would minimize politics and help to secure stable and more effective boards.

Governors frequently and appropriately appoint individual trustees as vacancies occur, but governors should not appoint the chair of a governing board. Beginning this year, the governor of Massachusetts will have the statutory authority to appoint the chair of the University of Massachusetts System Board of Trustees, a departure from long established practice for governing boards in other states. The many duties of governing boards warrant greater board independence, and such appointment power risks allowing too much politics into the boardroom.

While governing boards should choose their own chair, it seems less of a problem for the governor to have the power to appoint a coordinating board chair, where the principal responsibilities of the board are to provide coordination and policy advice to the governor and legislature.

The complexity of the increasingly market-driven modern public research university or the large multi-campus system is another challenge for trustees responsible for both system-wide strategy and institutional governance. Many of the boards that govern these enterprises need greater capacity, either in number or in talent, to address the many policy issues these institutions and systems face. The Moody's May 2008 "Special Comment" in *U.S. Public Finance* suggests that large public research universities have evolved into "market-driven public mission agencies that require more flexible governance and oversight to achieve their goals." Moody's calls for greater board expertise in particular



areas, such as familiarity with health care and health care administration, and believes that more diverse selection processes, including allowing boards to appoint some of their own members, can bring such talent into the boardroom. Moody's, which has come under scrutiny itself because of its role in the mortgage crisis, may be on to something, although it was silent on increasing the size of boards.

In addition to dealing with these complex issues, public research university boards must also ensure that their institutions not lose sight of their indispensable contributions to state and national public needs through instruction, research, and public service.

Institutional autonomy, or the lack of it, presents a challenge to the board (and the president). As noted earlier, a substantial amount of autonomy and flexibility is permitted in American higher education as a necessary condition for the pursuit of excellence. Throughout the modern history of higher education, some of the best minds have said as much, including the Committee on Government and Higher

Education chaired by Milton Eisenhower in the late 1950s and Frank Newman in *Choosing Quality* in 1987. Strong and effective governance is part of the autonomy equation—the more effective and responsive the board and the more able it is to assure institutional accountability, the less necessary the heavy hand of government. But some argue that in too many states the governing boards of some institutions have not been effective stewards—that they have embraced institutional agendas not in the best interests of their states or regions—that is, toward research, selectivity, and graduate programs, or a perceived market niche that may be more aspirational than actual. The institutions answer that they are responding to local needs and pressures.

Too often, the challenge of pursuing greater prestige (an institution-first agenda) is more exciting to a governing board than one of increasing student participation and success rates, working with K–12 on school reform, or encouraging first generation, minority, and immigrant populations to aspire to college. It is far easier to hear the calls for a new MBA program or a medical school from prominent members of the chamber of commerce than the silence of the underserved. Institutions can find sufficient allies, some in high places, to pursue lofty, even if unrealistic, goals. It's a fair question whether institutional governing boards (and public university system boards without strong and influential executives) can halt or even fully vet such proposals before they go forward to the state coordinating board or the governor's budget office. On the other hand, there are many examples of institutional boards exercising their independence and saying no, and with their presidents, employing the institution's autonomy to develop a successful and comprehensive regional agenda within their existing mission that serves all within their communities.

The metrics for determining college and university success, and consequently for determining governance effectiveness, may be changing. Institutional successes, as determined by institution-first agendas (ambitious, competitive, and heavily resource focused), are beginning to take a back seat to a state-first or public agenda, which focuses on public needs and accountability for achieving them. All higher education boards need to balance institutional aspirations with state needs, and autonomy for excellence with accountability for results.

Characteristics of board effectiveness

Several characteristics define an effective governing board. Without question, today's effective board is significantly more engaged with issues and strategy than in years past. The following six characteristics are among the most critically important for public governing boards (and where noted, for state coordinating boards).

First, an effective board, with the president as a partner, successfully balances institutional priorities with the public good. It understands the public purposes and public mission of the institution(s) it oversees and it responsibly brings community issues to the administration and into the boardroom.

Second, effective boards show a willingness to help lead and support strategic change by engaging in statewide, systemwide, or institutional planning. Ideally, the board's key leaders are engaged in the planning process—perhaps by chairing planning committees. After a plan is finalized and agreed upon, effective boards develop a board workplan to monitor implementation and progress, including appropriate

reviews of benchmarks and goals. Ideally, a statewide public agenda championed at the statewide board or office guides the subsequent development of system and institutional agendas and strategic plans. In other words, there exists a deeply embedded commitment to the public agenda—everyone can explain it, buy into it, and understand what its obligations are at the state, regional, and community level.

Third, an effective board expects accountability. Public boards are accountable to the people of the entire state. Boards serving only one campus, as noted above, can be drawn into institutional agendas, leading outsiders to question whether such agendas serve the long-term public interest. Trustees are also accountable for safeguarding public assets—ensuring that

future generations benefit from all the institution has to offer.

In addition, the board is accountable for the fiscal integrity of the

institution; for its own performance; for ensuring that ethical policies are in place and that measurable progress is made on strategic plans; and for hiring, assessing, and setting fair compensation for the chief executive.

The fourth characteristic is assuming responsibility for results in the academic affairs of the university or the state higher education system. This mission continues to grow in importance. An effective board needs to be engaged, within acceptable boundaries, in academic issues. Peter Ewell put it best in an AGB publication, *Making the Grade*: “Running the curriculum is the faculty’s responsibility; the board’s role is to remind them of that responsibility.” This approach gives the board appropriate leverage over quality and improvement. Boards need to know the quality of the public schools that provide the majority of the entering class, the remediation rates of entering students, how students are assessed on their progress, and how the results are used to improve the progression of students through the institution to graduation. An effective board is engaged in the accreditation process, both regional and program specific, and aware of any recommendations for institutional improvement as a result of the accreditation review.

Fifth is the ability to balance engagement with an appropriate degree of detachment. A board must understand its responsibilities as well as the range and limits of its authority. A board needs to be supportive of good, strong ideas that come not only from the chief executive and his or her staff, but from all stakeholders (including elected leaders), and be willing to challenge assumptions, ask sound questions, and probe for viable alternatives. In short, an effective board maintains a healthy skepticism and some objective distance, sustaining policy independence and responsiveness—although in reality, most boards will appropriately delegate a considerable amount of authority to the chief executive

Advancing an institutional agenda to the state, preferably one in accordance with the public agenda, will require the skills of integral leadership—a leadership style that links the president, the faculty, and the board together in a well-functioning partnership. While board members and the president are distinct entities—the board a policymaking body, the president the executor of those policies—at the end of the day, perhaps after vigorous debate, they must be on the same page. Too many outside of higher education expect the

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board-president relationship to be one of checks and balances, as if the administration were the executive branch and the board the legislature. That is a prescription for conflict and failure.

Sixth, effective boards engage productively with elected leaders and work across party lines with the governor, while keeping politics, especially partisan politics, out of the boardroom. The board should not—either by the actions of its individual members or by political

leaders—become a vehicle for issues playing out in the state capitol. As suggested earlier, the actions, competence, and policy independence of board members should preclude political intrusion. Nevertheless, elected officials *do* want to hear directly from the board’s chosen leaders—unfiltered by their own staffs or university administrators—and not just during the annual budget hearing. They want to have meaningful conversations about accountability, costs, and performance. Presidents and chancellors should encourage conversations between board members and political leaders that contribute positively to institutional goals and public purposes.

Although higher education has changed dramatically in terms of access and participation since 1947, and boards are more diverse...[p]ublic boards today are comprised of, on average, 29 percent women and 21 percent minorities, with a slight gain in the percentage of minorities serving in the past decade, but a slight decrease in the percentage of women serving.

Public purposes and board composition

Reflecting her desire for a board with stature, a college president once remarked that she wanted no one at the board table who made less money than she did. We need experienced and influential people to lead our universities, university systems, and state higher education agencies—people who have demonstrated leadership in business or civic life and do not need an appointment to the board as means to gain stature. And as noted above, the complexities of larger institutions and multi-campus systems require individuals with ranges of expertise.

Yet, with pressing national needs to increase educational attainment, what kind of a board is needed to ensure that the college or university addresses the needs of the underserved? In 1947, Herbert Beck wrote

Men Who Control our Universities, in which he documented that the governance of the nation’s top 30 public and private universities was composed largely of privileged white males. Beck called for these institutions to have broader public representation on their boards—more women and working class members—in part because elite institutions have “a clear lack...of intimate knowledge of the underprivileged.”

Although higher education has changed dramatically in terms of access and participation since 1947, and boards *are* more diverse, Beck’s general concerns are still valid. Public boards today are comprised of, on average, 29 percent women and 21 percent minorities, with a slight gain in the percentage of minorities serving in the past decade, but a slight decrease in the percentage of women serving. So boards and policy advisors still need to add more citizens and community leaders who can relate personally to the needs and life experience of minority groups, women, adult learners, and first generation students. In addition, boards need people with greater content knowledge.

We must also remember that board members, be they from governing or coordinating boards, volunteer their time and expertise in order to give something back to society and their states and communities. Much is expected from trustees—their time, money, wisdom, connections, and encouragement. They, in turn, deserve respect and support, and should not be discouraged from serving by over-reaching ethics and disclosure laws and unfair criticism.

Like trustees at other important social institutions, public trustees can be a powerful force for positive change. Too often, however, they are an untapped resource for making contributions to a broad-based public agenda. By recruiting dedicated and experienced citizens through improved selection processes, setting clearer expectations, and providing better orientation and education, we can have governing and coordinating boards that understand, articulate, support, and help their states achieve significant educational progress.

Conclusion

The twenty-first century will require more educational attainment, more path-breaking discoveries, and more creative applications of knowledge from America’s colleges and universities. While excellence at scale in higher education has never been realized, this achievement is within the capacity of the American people and our educational system. We must begin by deciding that this is our priority.

Change is required, but not by discarding and undermining the fundamental mechanisms that have governed American higher education for more than a century. More than anything else, the pathway to success requires greater clarity of purpose, rigor of assessment, and determination to reach new heights.

While revolutionary change in creating public policy and governing higher education would likely be both difficult and counterproductive,

policy and educational leaders should carefully consider how state and institutional leadership and governance practices must change in order to achieve excellence at scale. Some of the assumptions of the past century are clearly hindering progress toward today's more urgent priorities.

What mechanisms are required to get institutions (including flagships) to be more accountable for these specific

state priorities—extending instruction, research, and public service activities to underserved populations or to unmet needs? What public policy commitments are necessary to assure enough public funding for higher education? What kinds of board members are needed for boards to be effective in policy development, to exhibit strong fiscal acumen, and to shoulder successfully a new level of accountability?

This paper has suggested some responses to these questions, but the answers that matter must be developed by the citizens, policy leaders, and educators of each state.

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Conference Agenda

June 8–9, 2008

*Miller Center of Public Affairs
at the University of Virginia
Charlottesville, Virginia*

Examining the National Purposes of American Higher Education *A Leadership Approach to Policy Reform*

Sunday, June 8, 2008	6 p.m.	Reception and Dinner <i>Siips Wine & Champagne</i>
		Welcome & Remarks The Honorable Tim Kaine , <i>Governor of the Commonwealth of Virginia</i>
Monday, June 9, 2008	7:30 & 7:45 a.m.	Shuttle Transportation <i>from the Omni Hotel to the Miller Center of Public Affairs</i>
	8 a.m.	Breakfast <i>Forum Anteroom</i>
	8:30 a.m.	Welcome, Introductions and Opening Plenary Session Gerald L. Baliles , <i>Director of the Miller Center of Public Affairs & former Governor of the Commonwealth of Virginia</i> Rick Legon , <i>President of the Association of Governing Boards of Universities and Colleges</i>
	9:15 a.m.	<i>Higher Education Governance Broadly Defined and Examined</i> <i>Each session will be held in the Miller Center Forum Room unless otherwise specified</i> This panel explored the leadership roles of state elected officials, university and state higher education executives, and board members in forging the public agenda for higher education. Presenter: James Duderstadt , <i>President Emeritus and University Professor of Science and Engineering at the University of Michigan</i> Respondent: David Breneman , <i>Newton and Rita Meyers Professor in Economics of Education and Director of the BA/MPP Program in Public Policy & former Dean of the Curry School of Education, University of Virginia</i> Moderated By: Gordon Davies , <i>former Director of State Council of Higher Education for Virginia, 1977–1997</i>
	10:30 a.m.	Break

10:45 a.m.

Addressing the Public Agenda

This panel discussed preparation for a “global economy” that involves public colleges and universities helping their regions develop skilled and knowledgeable work forces that are attractive to prospective employers. Economic development begins at home, equipping local governments, communities, and residents with an understanding of the new environment and the resources needed to flourish in that environment. It can be assumed that a regional role is difficult, in large part because there are few rewards for doing so. Universities tend to be measured nationally and internationally on measures such as admissions selectivity and research volume. Regional responsibility requires new performance standards (most, if not all, states do not measure or reward what is euphemistically called “public service”), new expectations of faculty and staff, and new rules of engagement for senior administrators (working collaboratively with regional leaders to help meet needs). In addition, senior administrators have to remember that the university helps to address needs but it does not assume responsibility for solving the problems of a region or community.

Presenter:

Gordon Davies, *former Director of State Council of Higher Education for Virginia, 1977–1997*

Respondent:

Reggie Robinson, *President, Kansas Board of Regents*

Moderated By:

Peter Blake, *Vice Chancellor for Workforce Development, Virginia Community College System*

12:00 p.m.

Lunch

The Loggia, Miller Center of Public Affairs

1:15 p.m.

Building Board Capacity to Address Key Challenges

Are governing and coordinating boards an untapped and under-utilized resource for addressing the public agenda? The focus of this session will be on how boards can be selected, organized, and enabled to lead more effectively.

Presenters:

Rick Legon, *President of the Association of Governing Boards of Universities and Colleges*

Paul Lingenfelter, *President of the State Higher Education Executive Office*

Respondent:

Andrea Loughry, *Vice Chair of the University of Tennessee Board of Trustees*

Moderated By:

Brian Noland, *Chancellor, Higher Education Policy Commission of West Virginia*



2:30 p.m.

Seeking Solutions

Much of the discussion about higher education over the last couple of years has centered on increased accountability, affordability, student learning outcomes, international competition, research and innovation, and college preparation. Policymakers and the general public look with heightened skepticism at higher education's overall performance while maintaining respect for individual institutions. And, across the country, we are seeing another phase of budget shortfalls at the state level, creating additional financial stress on the sector as it is asked to serve a rapidly changing student population.

With these challenges confronting American public higher education, we asked each group to address the following three (3) questions with an eye toward specific recommendations for action that may be included in a final meeting report:

1. How can governors, legislators, governing boards, and higher education executives effectively work together to implement a state public agenda that includes benchmark measures for education performance and improvement?
2. How can state policymakers and higher education work together to strengthen governance and institution and system leadership as we seek to meet the needs of people and their communities within each state?
3. What other policy changes could states consider that would strengthen the partnership between higher education and other state services, and advance the public agenda?

Group Leaders/Discussion Facilitators:

Group ♣: **Darryl Greer**, *Executive Director of the New Jersey Association of State Colleges and Universities*

Group ♦: **Brit Kirwan**, *Chancellor of the University System of Maryland*

Group ♥: **Jim McCormick**, *Chancellor of Minnesota State Colleges and Universities*

Group ♠: **Peg Miller**, *Director of the Higher Education Internship Program, University of Virginia*

4:00 p.m.

Group Reports

This facilitated discussion sought consensus from the break-out groups on how policymakers and higher education leaders could use their leadership to address the public agenda.

Facilitated By:

Mark Musick, *President Emeritus of the Southern Regional Education Board*

5:00 pm.

Afternoon Break & Light Reception

Scripps Library, Miller Center of Public Affairs

Session Paper authors and conference organizers used this time to draft a report that compiled group policy recommendations.

5:45 pm

Adoption of Preliminary Report & Recommendations

Presented and Facilitated by:

Gordon Davies, *former Director of State Council of Higher Education for Virginia, 1977-1997*

Press Release

June 2, 2008

Charlottesville, Virginia

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Conference on Higher Education to Focus On Policy Reform, *National Education Goals*

CHARLOTTESVILLE, VA., June 2, 2008 — On **June 9, 2008**, the University of Virginia's Miller Center of Public Affairs and the Association of Governing Boards of Universities and Colleges (AGB) will host a conference: **Examining the National Purposes of American Higher Education: A Leadership Approach to Policy Reform**. The gathering will convene elected leaders, trustees, and state higher education and college executives to explore how education leaders and policymakers can prepare for changing definitions, goals, and priorities in American higher education.

Their objectives:

- To discuss how higher education has responded to demands to more productively and efficiently educate the population – especially in the disciplines related to economic development and international competitiveness;
- To analyze the reasons why some have succeeded and others have failed to achieve the desired outcomes;
- To identify leadership models at both the state and national levels to significantly improve outcomes.

“This important meeting will help to strengthen the partnership between higher education and state government,” said AGB President Richard Legon. “Through it we can find ways for both to work together to create and sustain effective governance and higher education leadership, which will better meet the needs of people and their communities. AGB is pleased to sponsor such a significant event in partnership with the Miller Center.”

“As the debate continues to determine if higher education is more a ‘public good’ or ‘private benefit,’ clearer connections must be established with societal progress,” said Gerald L. Baliles, Director of the Miller Center. “Also, educational leaders must persuade policymakers to respond accordingly. Our conference, with representatives from more than twenty states and many aspects of higher education, is designed to contribute to this effort.”

The Association of Governing Boards of Universities and Colleges is the only national association that serves the interests and needs of academic governing boards, boards of institutionally related foundations, and campus CEOs and other senior-level campus administrators on issues related to higher education governance and leadership. It strengthens and protects the United States’ unique form of institutional governance through its research, services, and advocacy and is committed to citizen trusteeship of American higher education.

The program will be **webcast live** and archived at <http://www.millercenter.org>.

Conference details and materials, including white papers, will also be at <http://www.millercenter.org>. For additional information, please contact Mike Mullen at 434-243-8978 or jmm3fj@virginia.edu.

<http://www.millercenter.org>

<http://www.agb.org>

Founded in 1975, the Miller Center of Public Affairs is a leading nonpartisan public policy institution that aims to fulfill Jefferson's public service mission by serving as a national meeting place for engaged citizens, scholars, students, media representatives, and government officials to research, reflect, and report on issues of national importance to the governance of the United States, with special attention to the central role and history of the presidency.

Post Conference Press

Conference Examines National Purposes of American Higher Education

June 9, 2008

Chronicle of Higher Education

Policy analysts, college leaders, and government officials gathered in Charlottesville, Va., today to discuss the national purposes of American higher education and to identify ways to overhaul public policy to meet the needs of the nation's changing population.

The conference was sponsored by the University of Virginia's Miller Center of Public Affairs and the Association of Governing Boards of Universities and Colleges. The groups plan to publish a report and recommendations that emerged from the day of conversations. Detailed information about the event, including video, is available at www.millercenter.org.

Gordon Davies, the former director of the State Council of Higher Education for Virginia, the state's coordinating board, concluded the gathering by saying that the group had reached a broad-based consensus on the key higher-education issues facing the United States this century.

Those issues include the need to improve job training, to enact policies that support and foster lifelong learning as most states' populations age and grow more diverse, to alter reward systems for institutions and states, to support institutional research that is focused on states' needs, and to foster institutions' engagement in their local communities in ways that seek to improve social and economic well being. Mr. Davies also emphasized that while the group had articulated a set of national purposes for higher education, most solutions for improving policies must be developed locally.

—Sara Hebel

Conceiving a New Agenda for Public Higher Education

June 10, 2008

Inside Higher Ed

Gerald L. Baliles was most of the way through his speech Monday, delivered to nods of affirmation from the state higher education officials, public college trustees and others in the audience, when he threw the assembled a curveball.

Baliles, a former governor of Virginia and now director of the University of Virginia's Miller Center of Public Affairs, was expressing the dual views that state and national politicians too often fail to recognize the value of American higher education (as college and university officials frequently argue, usually when seeking more government funds), and that higher education as an industry is too slow to adapt to changes in society and to those it purportedly serves, as critics often accuse. Both are right, Baliles suggested to those attending Monday's meeting, "Examining the National Purposes of American Higher Education," co-sponsored by the UVa center and by the Association of Governing Boards of Universities and Colleges.

"The point is that higher education is essential and that it is at risk in a time of change," Baliles said.

That's when he dropped his punchline. The words Baliles had just finished reading were not a fresh speech about the current state of higher education; they came from a letter he had written 15 years ago to introduce a report on educational quality from the Southern Regional Education Board. If anyone attending the meeting had missed the point, Baliles's messages were clear: The issues that the group had gathered to wrestle with—concerns about affordability, access, quality and accountability that college leaders and politicians have been discussing intensely for the last few years—have been around for ages. And relatively little progress has been made in attacking them, in part because the many words that have been spilled on the subjects have not been sufficiently transformed into actions.

Many, many more words flew among the several dozen power brokers and policy makers at Monday's meeting in Charlottesville, on a broad range of topics, from the roles of public college trustees to immigration to the lessons that public colleges might learn from for-profit institutions.

But by day's end, a rough consensus had emerged both about the problems that were in direst need of being confronted and, perhaps more importantly, some potential solutions that the group plans to recommend in a report to emerge from the day's discussion.

At the core of that consensus was the view that states and their public colleges need to focus most directly on the need (for economic and social reasons) to essentially double the number of Americans receiving a meaningful higher education over the next two decades, and that most of that increase will have to be attained by educating lower-income and underprepared students who are least likely to get such an education now. While that idea has been part of most of the major analyses of higher education in recent years, including the final report of the Secretary of Education's Commission on the Future of Higher Education, Monday's gathering was unusual for the extent to which it elevated that issue over others that often compete with it.

"We should be simplistic: What we're in now is a body count," said Travis Reindl, program director for Making Opportunity Affordable, a national initiative co-sponsored by Jobs for the Future and the Lumina Foundation for Education. "Find me a faculty leader, a business leader, who doesn't want more students to be throwing caps at graduation."

Going forward, added Gordon Davies, the longtime state higher education executive in Virginia and Kentucky and now a consultant, it "isn't a matter of educating the best and the brightest, it's educating the most."

As noteworthy as the gathering's focus on expanding educational attainment—and potentially even more controversial—was the group's assertion that to attack that problem, states will have to—and should—revamp their financial and other incentives to reward institutions (often community colleges and less-prestigious four-year public colleges) that now do most of the heavy lifting in educating historically underserved populations.

"What we clearly need in the country now... is more higher education and better higher education," said David W. Breneman, a professor of education at Virginia and head of

U.Va.'s new Batten School of Public Policy and Leadership. But "we have misaligned incentives... because the structure isn't set up right to deliver that... We don't reward quantity expanders. Every other enterprise strives for more market share.... The key is somehow getting public money targeted on the institutions that are the mass education providers."

Breneman, Davies and other speakers described how most state funding formulas and other public mechanisms for rewarding institutions, including systems for ranking colleges, reward institutions for emphasizing research over teaching and recruiting students with stronger rather than weaker academic records. It's not surprising then, Davies said, that colleges respond to those incentives; he noted, for instance, that where the state of Virginia once had two highly selective public universities, U.Va. and the College of William & Mary, it now has "five universities with a smaller proportion of their students receiving Pell Grants than Yale has."

"The skills race of the 21st century will require far more differentiation" among types of institutions, said James J. Duderstadt, president emeritus and now a university professor at the University of Michigan. "Institutions will have to accept, take pride in, and commit themselves to quite different roles."

Getting institutions to alter their behavior will not be easy, Davies and others argued. States may need to change their methods for funding colleges to encourage institutions to reward institutions that educate large numbers of needy undergraduate students and focus less on research, for instance, the sort of shift that is likely to mean redistributing money away from institutions (elite flagships, for instance) that are accustomed to getting lots of it.

"What we have traditionally done to create world-class [research] institutions is to pick winners, but to create good quality education, you have to be equal," said Arthur M. Hauptman, a consultant who is a fixture in Washington's higher education public policy world. "When it comes to instruction, we should basically say, we want it to be good across the board, so we are not going to pay more for our highly resourced institutions to do it. That is only going to exacerbate the [existing inequality]. We should use the public purse to equalize instructional support."

More generally, state boards that are meant to coordinate the activities and missions of higher education may have to get tougher about saying No to institutions that engage in "mission creep," and to be more aggressive in putting state or regional interests ahead of those of individual colleges. "It is wrong to assume that what is good for individual universities is good for a state or for a nation," said Reggie Robinson, president of the Kansas Board of Regents, which governs six public universities and coordinates the activities of a total of 26 two- and four-year colleges in the state. "We're often confronted with the balance we try to strike between the aspirations of an individual institution on the one hand, and the broader interests of the state on the other."

A report on the group's findings and recommendations is expected in the coming months.

—*Doug Lederman*

Acknowledgments

This report offers a distillation of major themes and recommendations to emerge from the exchanges of the AGB-Miller Center conference. The editorial committee responsible for the summary consists of the following individuals, each of whom made major contributions to the conference itself:

Gerald L. Baliles

Director, Miller Center of Public Affairs, University of Virginia; former Governor, Commonwealth of Virginia

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President, Association of Governing Boards of Universities and Colleges (AGB)

Gordon K. Davies,

former Director, State Council of Higher Education for Virginia, 1977–97; President, Kentucky Council for Postsecondary Education, 1998–2002

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Marcus R. Ingram, *Intern for Development and Administration at the Miller Center of Public Affairs*, had principal responsibility for planning and coordinating the conference.

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