State Coordination of Higher Education: Nationwide Trends in State Coordination

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State Council of Higher Education for Virginia
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Comparative Perspective

About Half of States are Coordinating Board/Agency States

- Statewide Coordinating Board/Agency (Regulatory or Advisory)
- Two or More System or Institutional Governing Boards
- Tradition of Decentralized Governance
Comparative Perspective

- Each State’s Structure Evolved in Response to Unique State Issues/Conditions
  - Modes of Provision (Public vs. Private)
  - History/Culture
- Role of Government
  - Governor
  - State Legislature
- Geo-Political Balance, Regional Disparities
- Budgeting and Finance Policy and Process

Continued
Coordination Versus Governance

- Authority and Functions of **Coordinating Boards** Are Distinctly Different From **Governing Boards of Institutions and System**

- **Coordinating Boards:**
  - Focus on Statewide Policy Leadership, Not on Governing/Managing Systems or Individual Institutions
  - Do Not Govern Institutions (e.g. Make Decisions Regarding Appointment of System and Institutional Presidents or Faculty and Other Personnel Issues)

- **In Virginia terminology:**
  - Coordinating Board: SCHEV
  - Governing Boards: Boards of Visitors
Origin and Functions of Coordinating Boards

- Most Established in mid-20th Century (1960s)
- Original Purpose:
  - Orderly Development during Massive Expansion in 1960s
  - Promote Mission Differentiation
  - Curb Unnecessary Duplication
  - Counter Turf Battles
  - “Suitably Sensitive Mechanism” Between State and Academy
  - Emphasis on Coordinating Institutions
Formal Authority Differs Among Coordinating Boards

- Significant Differences in Decision Authority
  - Budget and Finance Policy
  - Approval of Institutional Missions or Changes in Mission
  - Approval of New Campuses or New Academic Programs
Board’s “Power” Depends Less on Formal Authority Than on:

- Board and Executive Leadership:
  - Reputation for Objectivity, Fairness, and Timeliness of Analysis and Advice to Legislative and Executive Branches
  - Capacity to Gain Trust and Respect (but Not Always Agreement) of the State Political and Institutional Leaders
Formal Versus Informal Authority (Continued)

- Institutional/System Leaders Who: Recognize and Support Effective Coordination To Address State and Regional Policy Issues that Cannot Be Addressed within Systems/Institutions or Only Through Voluntary Coordination
Traditional Functions

- Statewide Planning/Master Planning for Orderly Development of Institutions
- Academic Program Review/Approval
- Maintaining Data/Information Systems
- Policy Analysis and Problem Resolution
- Budget Review and Recommendations
- Accountability

Continued
Traditional Functions (Continued)

- Program/Project Administration
- Student Financial Assistance
- Licensure/Authorization of Non-Public Institutions
Trends in State Coordination

• Shift Away from Coordination/Regulating Institutions, to Leading and Sustaining a Long-Term Agenda to Link Higher Education to:
  – Developing Globally Competitive Workforce (Human Capital Development)
    • Educating the State’s Population to Globally Competitive Levels
    • Attracting and Retaining Highly Educated Professions/Technicians
  – Developing A Globally Competitive, Innovation-Based Economy That Will Employ This Workforce
    • Linking R&D to State/Regional Innovation and Economic Development
    • Attracting Highly Educated Professionals to State/Region

• Use Finance Policy/Incentives for Performance and Response to Public Agenda/Public Priorities
BASIC U.S. CHALLENGE

- The Nation as a Whole and Individual States Are:
  - Failing to Educate the Next Generation Workforce
  - Failing to Link R&D Capacity to Regional Innovation/Economic Development
- Global Competition and Market Forces Are Drawing the Public Universities Away From Addressing State and Regional Priorities
- States Lack of Capacity for Leadership and Policy Levers (Finance and Accountability) to Link the Nation’s Higher Education Capacity to State/Regional Priorities
Percent of Adults with an Associate Degree or Higher by Age Group – Virginia, U.S. & Leading OECD Countries

Source: OECD, Education at a Glance 2009
Difference in College Attainment Between Whites and Minorities (Blacks, Hispanics, Native Americans) (2008-10)

Source: U.S. Census Bureau, 2008-10 American Community Survey
Percent of Virginia Population Age 25-64 with a Bachelor’s Degree or Higher, 2006

Virginia = 35.1%

Source: U.S. Census Bureau, 2006 ACS PUMS File
To Meet Goal of 60% by 2025, US Needs to Produce 24.3 Million Additional Degrees

- Will Require:
  - Major Improvements at Every Level:
    - Secondary Completion
    - Postsecondary Participation
    - Degree Production at All Levels

- Fundamental Changes in Modes of Delivery and Teaching and Learning
U.S. Must Achieve Goals Despite Severe Financial Conditions

- State Funding is Unlikely to Recover from Sharp Cuts During Recession
- Burden of Financing Will Continue to Shift to Students and Families Making Affordability a Major Barrier
Educational Appropriations per FTE Percent Change by State, Fiscal 2006-2011

Note: Dollars adjusted by 2011 HECA, Cost of Living Adjustment, and Enrollment Mix Index
Source: SHEEO SHEF FY 2011
Public FTE Enrollment and Educational Appropriations per FTE, U.S., Fiscal 1986-2011

Note: Net tuition revenue used for capital debt service are included in the above figures. Constant 2011 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA).

Source: SHEEO SHEF FY 2011
Growing Concerns About Affordability

- Increase in Family Share of Costs
- Student Financial Aid at Risk
Family Share of Public Higher Education Operating Revenues

United States

Source: SHEEO SSDB
New Concept of “System”
New Realities

• More Complex, Differentiated Definition of “Student”
  – Age (Recent Secondary Graduate, Adult “Mature” Student, etc.)
  – Race/Ethnicity
  – Prior Education, Level of Academic Preparation
  – Income/Socioeconomic Status
  – Employment Status
  – Mobility/Accessibility: Place, Time, Modes of Learning
New Realities (Continued)

- More Complex Modes of Learning
  - Increasing Percentage of Students Who Attend or Gain Coursework from Multiple Institutions and Providers, Combining:
    - Traditional Classroom Instruction
    - Mediated/Blended
    - On-Line/MOOCs, etc.
- From **Single** Providers to **Multiple** Providers
- From a Provider as a **Single** Institution, to **Providers of Multiple Services** (Content Development, Design, Delivery; Mentoring, Advising, Academic Support Services)
Effective Coordinating Boards

- Focus on Core Policy Functions
  - Planning/Policy Leadership
  - Focus on Sustaining Consensus and Commitment to Long-Term Goals for the State (A Public Agenda)
  - Developing and Recommending Strategic Finance Policy, in Collaboration with Governor and State Legislature
  - Use of Data/Information Systems to Inform Policy Development and Public Accountability, In Particular Data
    - State/Regional Population, Economy, Workforce Needs, Innovation/Economic Development
    - Student Progress Through the System to Certificates/Degrees

Continued
Effective Boards (Continued)

- Core Functions (Continued)
  - Leading State Initiatives That Cut-Across Sectors Aimed at Getting More Students Through to A Certificate or Degree:
    - P-20 Alignment of Curriculum, Assessments, etc.
    - Regional Collaboration To Achieve Measurable Improvements in Regional Education Outcomes (e.g., High Priority Regions)
    - Convening and Facilitating Deliberations About New Modes of Delivery and Ways to Clink Global Content with Local/Regional Needs
  - Holding Institutions Accountable for Contributions to State Goals

- Shift from Detailed Program Review/Approval to Focus on Changes in Mission

Continued
Effective Boards (Continued)

- Exhibit Balance in Processes and Decision-making:
  - Non-partisan
  - Legislative and Executive Branches
  - State and Institutions
  - Among All Sectors and Providers
  - Among All Regions
  - Across All Dimensions of Mission (Community College Services to Research and Graduate Education)
State Coordination is One on Most Difficult Roles in State Government

- Goal is to Keep the System Focus on the Needs of the State, Not the Sum of Institutional Interests
- Trying to Keep Everyone Happy Will Lead to No Progress
Issues Facing Coordinating Boards Across the U.S. (Not Specifically Virginia)

- Strategic Plans/Master Plans:
  - Lack Clear Goals and Related Metrics
  - Focus on Institutional/Sector Issues, not Public Agenda
  - Not Linked to Budget/Finance and Accountability
  - Ignored by Governor and State Legislature in Policy Making and Budget Process

- Focus on Internal Institutional Issues, Not on Major State/Public Priorities

Continued
• Workload Dominated by Administrative and Regulatory Functions Drives Out Attention to Policy Leadership
• Limited Policy Analysis Capacity
• Weak Board Appointments (Most Influential Appointments Made to Governing Boards)
• Turnover of Executive Leadership
Issues (Continued)

- Lack of Capacity to Gain Trust and Respect of the State’s Leaders (Governor and Legislature) as well as University Leaders for:
  - Objectivity and Fairness in Decision Processes
  - Transparency and Responsiveness to Data Requests from Governor and Legislature

- Changes in Gubernatorial and Legislative Leadership: Loss of “Memory” of Rationale and Functions of Coordinating Board
  - System and Institutional Lobbying Undercuts the Coordinating Board’s Policy Recommendations

- Pressure to Link directly to the Governor Resulting in:
  - Instability and Lack of Capacity to Sustain Leadership Toward Long-Term Goals Over Changes in Governor
  - Loss of Independence and Credibility with State Legislature and Higher Education Community

- State Budget Cuts Limit Staff Capacity

Continued
External Realities (Continued)

- Increasing Polarization in Policy Process Makes Gaining Consensus on Goals and Priorities a Daunting Challenge
- Accumulation of Legislative Mandates (often outdated) Saps Staff Time Away from Strategic Planning and Policy leadership
<table>
<thead>
<tr>
<th>State</th>
<th>Goals</th>
<th>Governance</th>
<th>Regulation</th>
<th>Implementation Investment</th>
<th>Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mississippi/Maine</td>
<td>Devised in context of funding model development, no statewide consensus</td>
<td>No change</td>
<td>• No change</td>
<td>Performance funding</td>
<td>Only in context of funding model</td>
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<tr>
<td>Illinois</td>
<td>Public Agenda – broad consensus</td>
<td>No change</td>
<td>• No change</td>
<td>Minimal performance funding</td>
<td>Annual report</td>
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<td>Nevada</td>
<td>Goals devised with limited involvement</td>
<td>No change</td>
<td>• Institutions given tuition authority</td>
<td>Performance funding – some investment in research capacity</td>
<td>No history</td>
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<tr>
<td>Louisiana</td>
<td>Goals devised with limited involvement</td>
<td>Creation of a CC system</td>
<td>• Admissions requirements at 4-Year institutions raised • Articulation &amp; transfer</td>
<td>Performance funding • Significant investment in community colleges</td>
<td>In context of funding model</td>
</tr>
<tr>
<td>Texas</td>
<td>Clearly articulated Widely accepted Sustained over 14 years</td>
<td>No change</td>
<td>• College and career readiness standards • Articulation &amp; Transfer</td>
<td>Incentive Funding for Completion • Major investment in research universities</td>
<td>Annual report</td>
</tr>
<tr>
<td>Oregon</td>
<td>Aggressive goal in statute</td>
<td>Major changes</td>
<td>• Compacts</td>
<td>No new money • Moving to funding model that integrates • Appropriations • Tuition • Student aid</td>
<td>Tied to compacts</td>
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<tr>
<td></td>
<td>• Oregon Education Investment Board • Coordinating commission • Institutional boards</td>
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<td>Indiana</td>
<td>Goals developed by Indiana Commission for Higher Education</td>
<td>Creation of a community college system</td>
<td>• Little change</td>
<td>Performance funding</td>
<td>Annual report</td>
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<tr>
<td>Tennessee</td>
<td>Goals devised with broad involvement – general requirements in statute</td>
<td>• Created a CC system</td>
<td>• P-12 Alignment</td>
<td>• 100% performance funding</td>
<td>Tied to funding model</td>
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<td>• Made SFA agency a part of Tennessee Higher Education Commission</td>
<td>• Articulation &amp; transfer</td>
<td>• Closely linked to goals</td>
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<td>Kentucky</td>
<td>• Clearly articulated</td>
<td>Creation of CC system</td>
<td>• Articulation &amp; transfer</td>
<td>• Investment Trust funds established to build capacity aligned with goals</td>
<td>Annual report</td>
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<td></td>
<td>• Widely accepted</td>
<td>• Strengthened mission distinctions</td>
<td>• P-12 alignment</td>
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<td></td>
<td>• Sustained across changes in education and political leadership</td>
<td>• Strengthened statewide coordination</td>
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