Higher Education Governance in and among the United States

OECD/IMHE

Thursday 24 August, 2006

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Overview of Presentation

• Diversity among the states in:
  • Structure
  • Governance
  • Policy

• Distinct (more or less) state and federal roles
  • Funding
  • Policy—setting and pursuing priorities

• Universal challenges and tensions
  • Tertiary education – a necessity, not just an option
  • Institutional “autonomy” vs. public purpose
  • Achieving productivity gains
  • Accountability
    • Standards and assessment (the K-12 approach)
    • Better consumer information
    • Goal setting and continuous improvement
Diversity in Structure Among the States

Enrollment in Public Community Colleges as a Percent of Fall 2004 Headcount by State

Source: IPEDS
Diversity in Structure Among the States

Enrollment in Private Institutions as a Percent of Fall 2004 Headcount by State

Source: IPEDS
Diversity in Governance among the States

Coordinating Board
Governing Board
Both Coordinating & Governing Board
No Statewide Board
State Coordination vs. State Governance

Statewide coordinating Boards:

• Do planning, budgeting, and program authorization/review

• Have no or a very limited role in personnel and institutional operations (functions of governing boards for individual institutions in these states)

• May operate state financial aid and grant programs

• May or may not be closely controlled by the Governor (Executive Branch)

• Vary considerably in influence and power
State Coordination vs. State Governance

Statewide Governing Boards:

- Are responsible for personnel decisions, institutional operations, and corporate governance
- Do planning and budgeting
- Are rarely, but occasionally closely controlled by the Governor (Executive Branch)
- Vary in the allocation of powers between the Board’s CEO and institutional CEOs in the system
Coordinating and Governing Boards may be:

• Appointed by Governors (most common)

• Elected directly by the people (less common, and only for Governing Board members)

• Selected in part by the Governor and in part by others, included the legislature and sometimes alumni

• Students, often without vote, sometimes serve as Board members.
Diversity in Policy Among the States

Annual Tuition and Required Fees at Public Flagship Universities by State, 2005-06

Diversity in Policy Among the States

Annual Tuition and Required Fees at Public Community Colleges by State, 2005-06

Diversity in Policy Among the States

Net Tuition as a Percent of Public Higher Education Total Educational Revenues by State, Fiscal 2005

Source: SHEE SHEF
Diversity in Policy Among the States

State Undergraduate Grant Aid per Undergraduate Student by State, 2003-04

Source: National Association of State Student Grant & Aid Programs
Diversity in Policy Among the States

Total Educational Revenues per Student by State, Fiscal 2005

Source: SHEE SHEF
## State and Federal Roles: Funding

Approximate spending for higher education

(Dollars in Billions)

<table>
<thead>
<tr>
<th></th>
<th>Federal</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Aid Grants</td>
<td>$18 B</td>
<td>$6 B</td>
</tr>
<tr>
<td>Tuition Tax Credits</td>
<td>$8 B</td>
<td>--</td>
</tr>
<tr>
<td>Loans (cost of subsidy)</td>
<td>$15 B</td>
<td>--</td>
</tr>
<tr>
<td>Institutional Operations (including some research support)</td>
<td></td>
<td>$65 B</td>
</tr>
<tr>
<td>Sponsored Research</td>
<td>$27 B</td>
<td></td>
</tr>
<tr>
<td><strong>Annual Operations and Grants</strong></td>
<td><strong>$68 B</strong></td>
<td><strong>$71 B</strong></td>
</tr>
<tr>
<td>Facilities Construction and Renovation</td>
<td>Minimal role</td>
<td>Primary responsibility</td>
</tr>
</tbody>
</table>

*Sources: College Board, SHEEO, National Science Foundation*
State and Federal roles: Policy and Priorities

Research and student assistance:
Federal role dominant, states secondary/reactive

Data collection and reporting:
Federal collects core data, states supplement. System is cumbersome, ineffective – needs redesigning

Accreditation:
Voluntary, peer systems, federal/state recognition

Institutional priorities, control, management:
States dominant, federal lacks legal power and tools, other than blunt reporting/regulation
Universal Challenges and Tensions

Tertiary education – a necessity, not just an option

• Global competition – *The World is Flat*
• U.S. and Western European workers the world’s most expensive
• Aging population, growing health care costs
• Immigrants, minorities becoming the workforce core
• Imperative to achieve more widespread success in tertiary education
College Attainment Rate (Associate and Higher)

Differences in College Attainment (Associate and Higher) Between Young and Older Adults, 2000: OECD Countries

Age 25-34
Age 45-54

Source: Organisation of Economic Cooperation and Development, American Community Survey
College Grads: US, India, and China

4 year degrees

<table>
<thead>
<tr>
<th>Country</th>
<th>Total College Graduates</th>
<th>Engineering Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>1.3 Million</td>
<td>137,000</td>
</tr>
<tr>
<td>India</td>
<td>3.1 Million</td>
<td>112,000</td>
</tr>
<tr>
<td>China</td>
<td>3.3 Million</td>
<td>352,000</td>
</tr>
</tbody>
</table>

Source: Duke Engineering Management Program
Universal Challenges and Tensions

Institutional Autonomy vs. Public Purpose

- **Fundamental freedom of thought and expression:**
  - Emphasized for academics and institutions

- **Significant but limited institutional autonomy:**
  - Obligated to serve public purposes
  - May be restricted in mission or programs supported with public funds
Universal Challenges and Tensions

Pressure to achieve productivity gains

• Prices growing much faster than inflation and income
  • Due to subsidy reductions and
  • Expenditure growth (to a smaller extent)

• Demand for widespread educational attainment
State and Federal roles: Accountability

Approaches to “accountability”

• “No Child Left Behind”
  • K-12 standards and assessment
• Spellings Commission
  • Transparent “customer” information on price, graduation rates, et al
• Accountability Commission
  • Goal setting, monitoring progress, intervening
State and Federal roles: Accountability

Spellings and Accountability Commissions

Common Recommendations

• Unit record data systems
• Explicit institutional learning goals and assessment
• State and national assessment of knowledge and skill
• Remove barriers to student success: aspiration, finance, and preparation
• Pursue productivity gains
• Make accreditation more transparent
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