

# State Coordination of Higher Education: Nationwide Trends in State Coordination

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**NCHEMS**

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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

Continued

## 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

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# Traditional Functions (Continued)

- Program/Project Administration
- Student Financial Assistance
- Licensure/Authorization of Non-Public Institutions

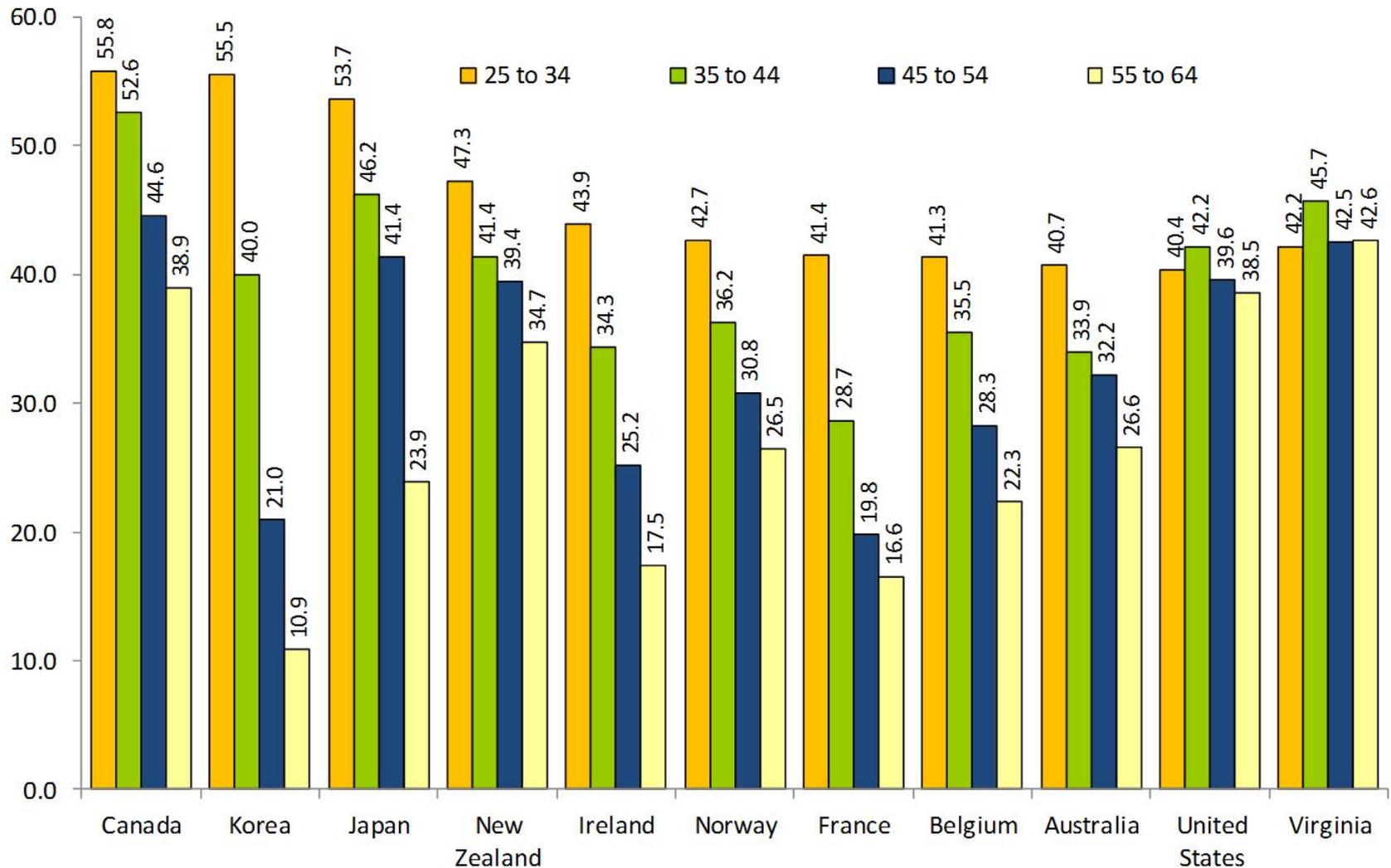
## Trends in State Coordination

- 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

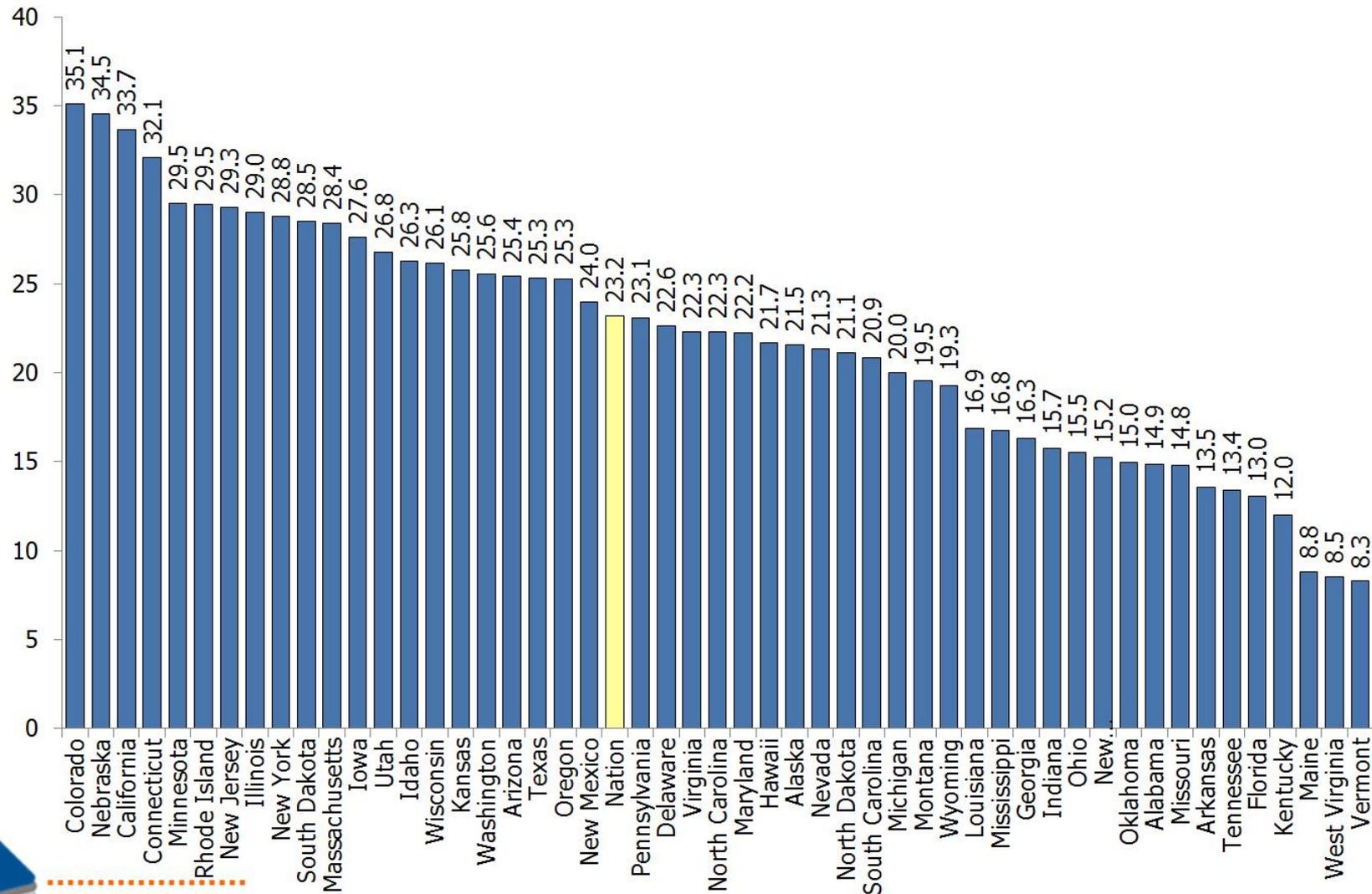
- The Nation as a Whole and Individual States Are:
  - Failing to Educate the Next Generation Workforce
  - Failing to Link R&D Capacity to Regional Innovation/Economic Development
- Global Competition and Market Forces Are Drawing the Public Universities Away From Addressing State and Regional Priorities
- 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

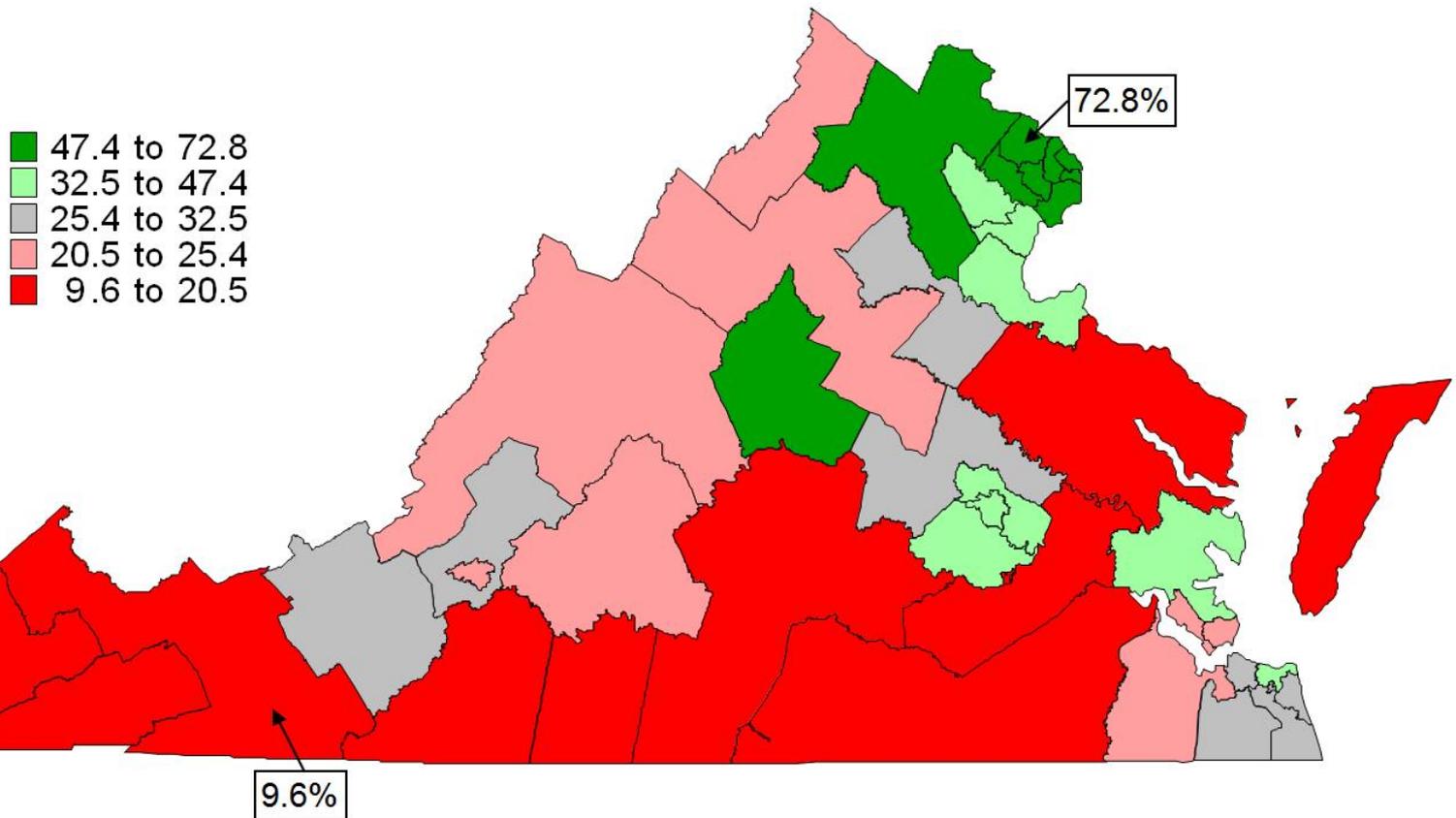


Source: OECD, Education at a Glance 2009

# Difference in College Attainment Between Whites and Minorities (Blacks, Hispanics, Native Americans) (2008-10)



# 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

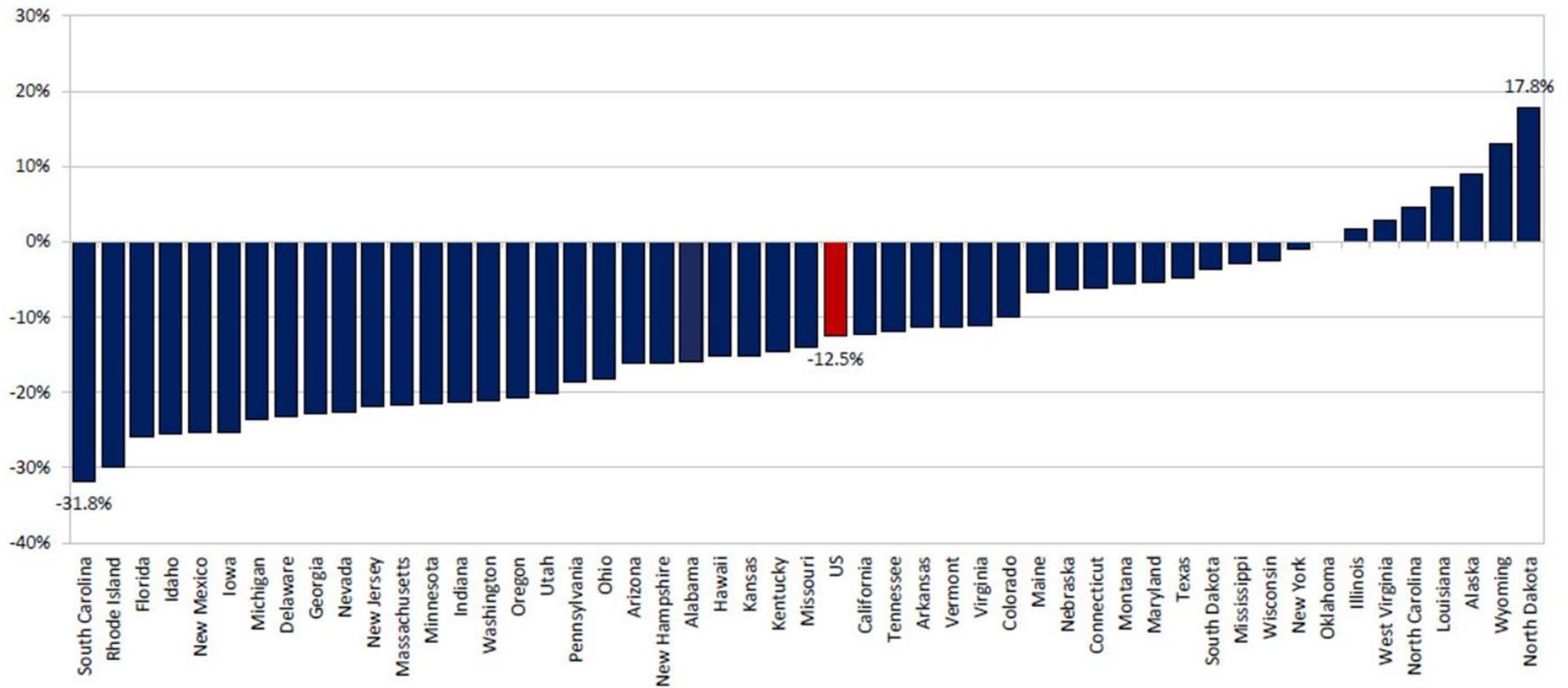
# To Meet Goal of 60% by 2025, US Needs to Produce 24.3 Million Additional Degrees

- 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

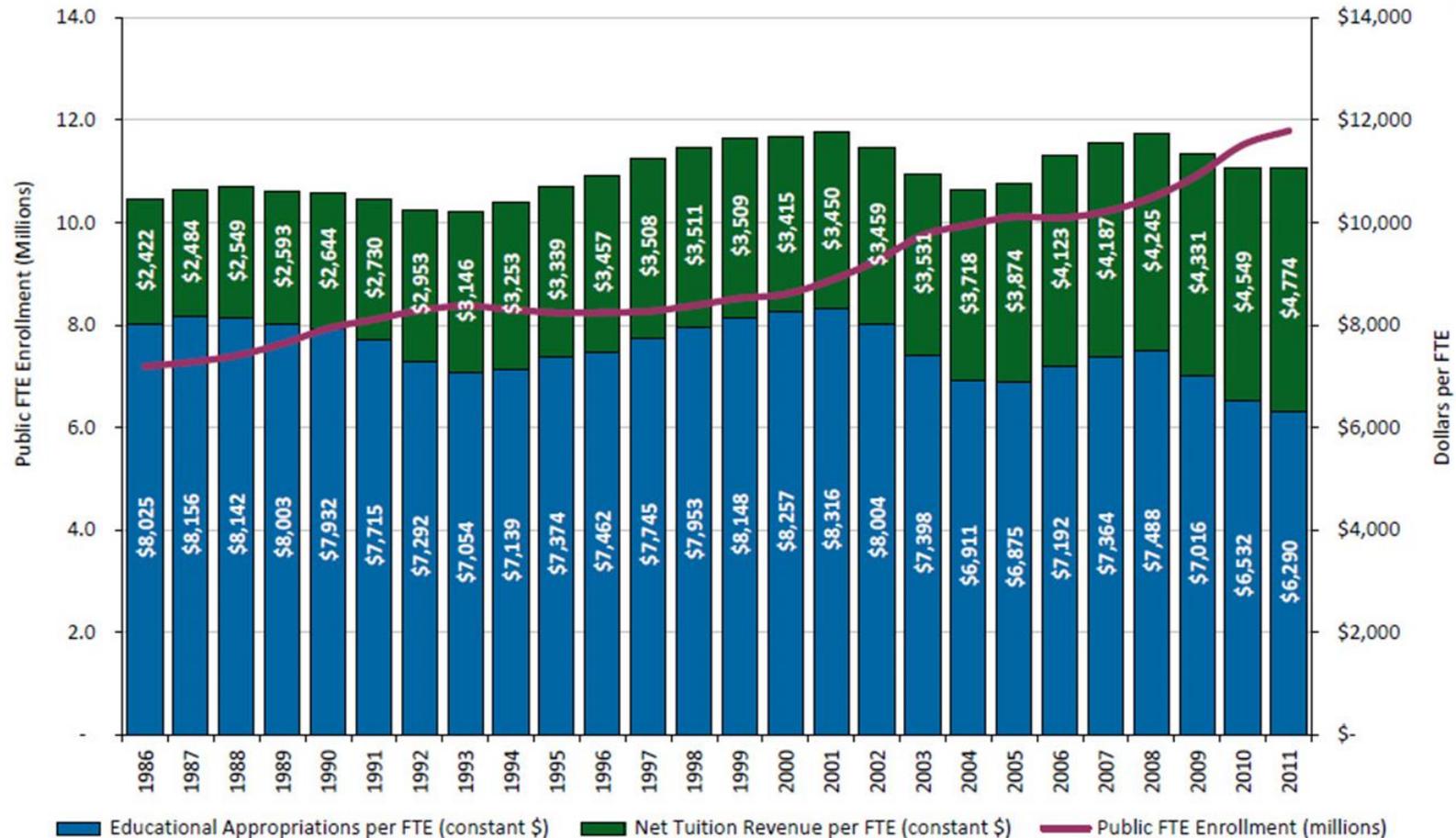
# Educational Appropriations per FTE Percent Change by State, Fiscal 2006-2011



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

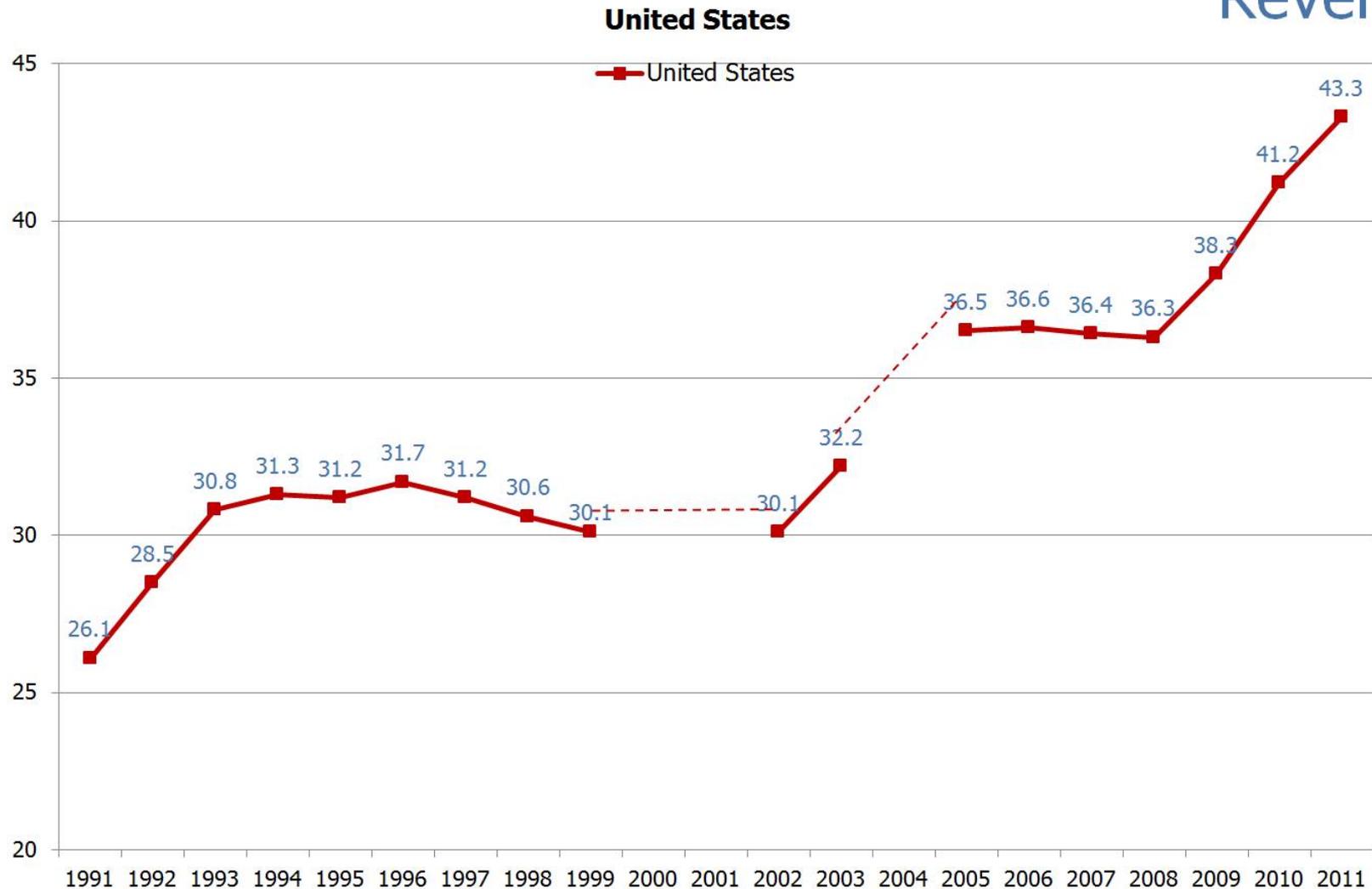


Note: Net tuition revenue used for capital debt service are included in the above figures.  
Constant 2011 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA).

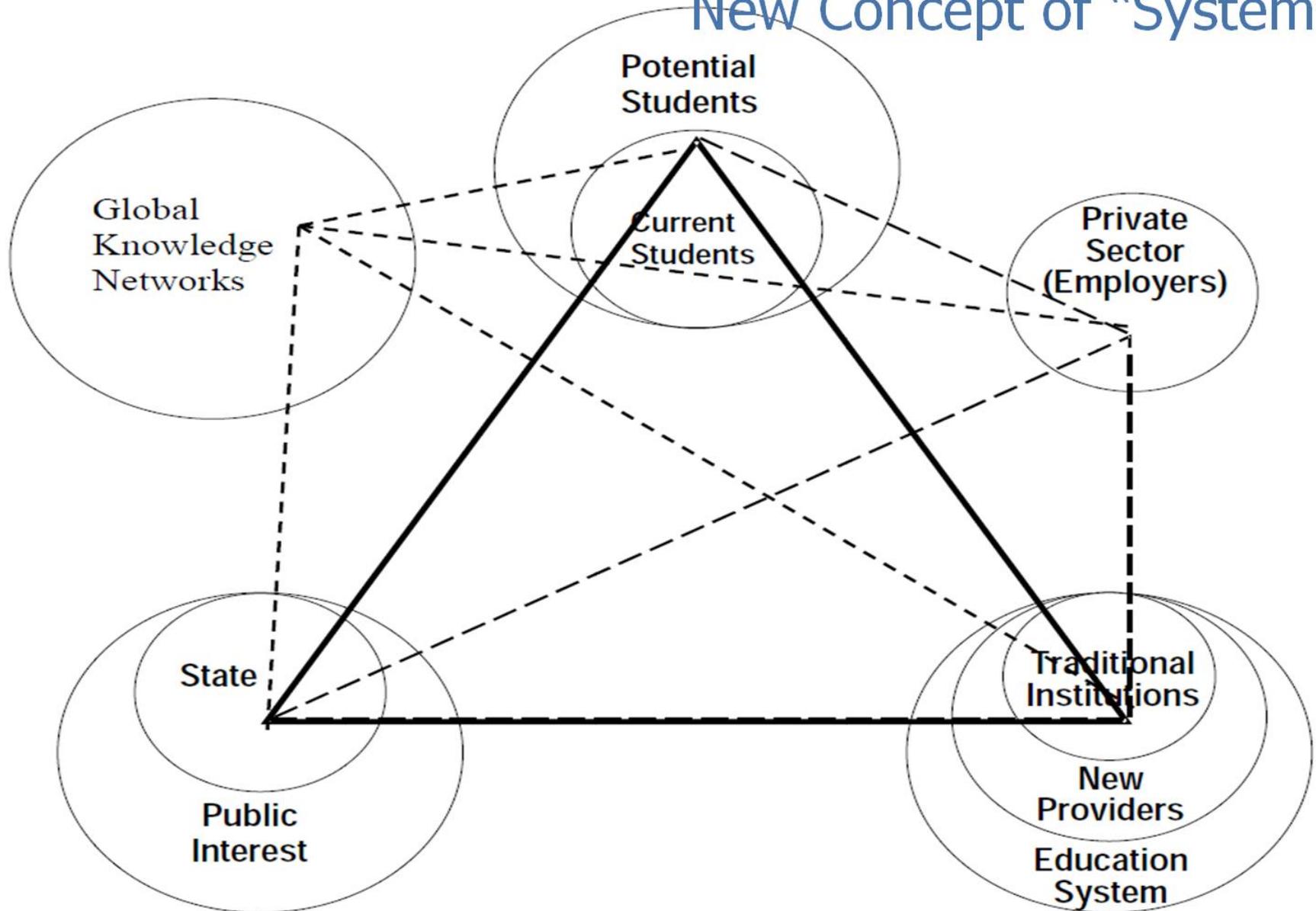
# Growing Concerns About Affordability

- Increase in Family Share of Costs
- Student Financial Aid at Risk

# Family Share of Public Higher Education Operating Revenues



# 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)

Continued

## State Coordination is One of the 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

## Issues (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

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## 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

# State Reform Initiatives

Listed from Targeted to Comprehensive

	Goals	Governance	Regulation	Implementation Investment	Accountability
Mississippi/ Maine	Devised in context of funding model development, no statewide consensus	No change	<ul style="list-style-type: none"> <li>No change</li> </ul>	Performance funding	Only in context of funding model
Illinois	Public Agenda – broad consensus	No change	<ul style="list-style-type: none"> <li>No change</li> </ul>	Minimal performance funding	Annual report
Nevada	Goals devised with limited involvement	No change	<ul style="list-style-type: none"> <li>Institutions given tuition authority</li> </ul>	Performance funding – some investment in research capacity	No history
Louisiana	Goals devised with limited involvement	Creation of a CC system	<ul style="list-style-type: none"> <li>Admissions requirements at 4-Year institutions raised</li> <li>Articulation &amp; transfer</li> </ul>	<ul style="list-style-type: none"> <li>Performance funding</li> <li>Significant investment in community colleges</li> </ul>	In context of funding model
Texas	Clearly articulated Widely accepted Sustained over 14 years	No change	<ul style="list-style-type: none"> <li>College and career readiness standards</li> <li>Articulation &amp; Transfer</li> </ul>	<ul style="list-style-type: none"> <li>Incentive Funding for Completion</li> <li>Major investment in research universities</li> </ul>	Annual report
Oregon	Aggressive goal in statute	Major changes <ul style="list-style-type: none"> <li>Oregon Education Investment Board</li> <li>Coordinating commission</li> <li>Institutional boards</li> </ul>	<ul style="list-style-type: none"> <li>Compacts</li> </ul>	<ul style="list-style-type: none"> <li>No new money</li> <li>Moving to funding model that integrates               <ul style="list-style-type: none"> <li>Appropriations</li> <li>Tuition</li> <li>Student aid</li> </ul> </li> </ul>	Tied to compacts

	Goals	Governance	Regulation	Implementation Investment	Accountability
Indiana	Goals developed by Indiana Commission for Higher Education	Creation of a community college system	<ul style="list-style-type: none"> <li>• Little change</li> </ul>	Performance funding	Annual report
Tennessee	Goals devised with broad involvement – general requirements in statute	<ul style="list-style-type: none"> <li>• Created a CC system</li> <li>• Made SFA agency a part of Tennessee Higher Education Commission</li> </ul>	<ul style="list-style-type: none"> <li>• P-12 Alignment</li> <li>• Articulation &amp; transfer</li> </ul>	<ul style="list-style-type: none"> <li>• 100% performance funding</li> <li>• Closely linked to goals</li> </ul>	Tied to funding model
Kentucky	<ul style="list-style-type: none"> <li>• Clearly articulated</li> <li>• Widely accepted</li> <li>• Sustained across changes in education and political leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of CC system</li> <li>• Strengthened mission distinctions</li> <li>• Strengthened statewide coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Articulation &amp; transfer</li> <li>• P-12 alignment</li> </ul>	<ul style="list-style-type: none"> <li>• Investment Trust funds established to build capacity aligned with goals</li> </ul>	Annual report