

STEADY PROGRESS:

**HIGHER EDUCATION
GOVERNANCE IN
COLORADO**

at the dawn of the 21st century

A Report to the Colorado Department of Higher Education

In response to HB 99-1289

NOVEMBER, 2000



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I. INTRODUCTION

A. Background

House Bill 99-1289, enacted during the 1999 legislative session, directed the Department of Higher Education [DHE] to study the performance of higher education in Colorado and determine whether any changes or improvements were needed in the delivery of services to serve the citizens of the state more effectively.¹

The Department was required to prepare two annual reports.² The first, **Colorado Higher Education 2000**, (referred to hereafter as the ‘Year 1 Report’) was presented to the Legislature in January, 2000.³ In a report comprising twelve chapters, the Colorado Commission on Higher Education [CCHE] addressed higher education enrollments; student retention, transfer and graduation rates; facilities; Colorado’s Quality Indicator System; distance education; reporting requirements; costs; tuition and other revenues; faculty salaries; graduate education; remedial education; and personnel.

The second year report called for in HB 99-1289 was to include examinations of:⁴

- The existing higher education governance structure in the State of Colorado; and
- The higher education governance structures of other states, including the use of bonding authorities and other types of higher education corporate structures.⁵

HB 99-1289 noted that the present higher education governance structure in Colorado was established in 1985, and an overall review had not been conducted since then.⁶ Thus, it also called for consideration of “Whether the roles and statutory duties of the Department of Higher Education and the Commission should be updated and any suggestions for updating said roles and missions.”⁷

The study was to be conducted by an outside firm. The DHE’s Request for Proposals [RFP] offered further specificity in its Statement of Work about the basic interests of the review.⁸ The study would include:

1. “Examination of the existing higher education governance structure in the State of Colorado, including the roles and missions of the CCHE, the six institutional governing boards, the Auraria Higher Education Center Board, and the public institutions in the state, including analyses of the administrative/operational costs of the current system and governance structure.
2. “Identification of areas of strength that may be expanded and weaknesses that may be eliminated or restructured for each institution of higher education in the state and CCHE.
3. “Examination of higher education governance structures in other comparable states that may result in recommendations to improve the delivery of higher education Colorado.
4. “Development of a final report containing findings, conclusions, and recommendations as appropriate to improve the efficiency and effectiveness of higher education in Colorado.”

The RFP also identified several methodological requirements. These included the following, listed in their logical chronological order:

- Biweekly meetings with the CCHE project team (which could be on site or via telecommunications)
- Seven regional meetings

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- Meetings with each of the six institutional governing boards
- A draft report by September 15, 2000
- A final report by November 1, 2000
- At least two meetings in Denver with representatives of the six governing boards to present the final report
- Presentations of the report's findings, conclusions and recommendations to the JBC and the legislative Education Committees at times scheduled by them for this purpose.

The first two sets of meetings were for purposes of opinion gathering, data collection, and the involvement of those interested in the study. These, accordingly, were scheduled to occur shortly after the work began. They required approximately six weeks on site in Colorado during June, July, August, and September, 2000. The last two sets of meetings, involving opportunities to present and discuss the final report, were scheduled to transpire in early November, and in December and January at times responsive to the call of the legislative committees.

The initial series encompassed approximately 60 small and large group meetings. These consisted of ten regional public meetings around the state (two in Denver and one each in Greeley, Sterling, Ft. Collins, Colorado Springs, Pueblo, Alamosa, Durango, and Grand Junction). Meetings also were held with all of the governing boards and with CEOs and staff members of the boards and each of the institutions. Interviews with legislators, other state officials, and interested citizens, frequently on an individual basis during this period, rounded out the interactions that led to the development of a field draft review report.⁹ Notes were taken by the NORED team members (one of whom had the privilege of attending every meeting). No special counts were taken of individuals at board and staff meetings, but a conservative estimate is that at least 500 people participated. Considerably more than that number attended the ten regional public meetings.

The field review draft was delivered to the DHE on September 14, 2000. The report was posted at the Department's web-site and at the web-sites of numerous institutions and systems throughout Colorado. It also was posted at the NORED web-site. It is impossible to determine exactly how many actually chose to avail themselves of this opportunity to review the draft, but more than 500 'hits' registered on the NORED site between mid-September and mid-October, 2000, the period allotted for review and comment on the draft report.

Press coverage in Colorado was extensive, and this helped to stimulate attention and interest. Correspondence with the NORED office during this period was heavy. This usually took the form of e-mail communications, although a number of letters and telephone conversations also were received. The preponderance of individual e-mail messages were from students who expressed opposition to the draft report's recommendation that the University of Colorado at Denver become a graduate education center.¹⁰ Each of the system and separately governed institution boards prepared formal comments on the report, as did several other organizations.

It would be difficult to accurately describe all that was provided. A summary was prepared for internal use in the draft redaction process, but it would not be appropriate to use it for other purposes. References to many of the points presented in these responses appear throughout the report.

Various changes to the draft were made. Often these were to promote improved accuracy or clarity. In a few cases, new recommendations emerged during the process. The basic shape and character, however, of the program recommended in the draft report remains intact.

B. Questions of Interest

The report is about Colorado's higher education governance system. Sometimes it has been difficult to adhere to this focus, as almost everything in higher education ultimately devolves to some aspect of governance. Nevertheless, the study was not intended to be a comprehensive master plan for higher education in Colorado. Indeed, the CCHE adopted a master plan in May, 2000. At the same time, such concerns as unmet needs and programs to fulfill them cannot be completely ignored in a study of governance, as these involve the purposes and ends of higher education, and governance affects them directly. This is most apparent in the recommendations. The emphasis is on governance, but many of the changes called for are intended to increase responsiveness to the higher education needs of students and others who live, study, and work in Colorado.

Higher education governance presumes at least four aspects: *Functional*, *Structural*, *Collaborative*, and *Adaptive*. The first, the Functional, involves what it is expected to do. The second, the Structural, concerns how it is organized. The third and fourth are introduced in this report. The Collaborative comprises the extent to which the system addresses, accommodates, and combines the often divergent interests of the major players — students and citizens, political authorities, governing board members, and institutions. Essentially this dimension speaks to the system's capacity to bridge different perspectives and organizational cultures. The fourth, the Adaptive, concerns the system's capacity to anticipate and adjust to new and changing needs, conditions, and settings.

Typically, governance reviews focus on the first two of these — the Functional and the Structural. They emphasize new assignments of responsibility and new configurations. The last major governance study for Colorado, completed in the mid-1980s, exemplifies this in its calls for a single university system and a concomitant redistribution of functions and responsibilities.

Both the Functional and Structural dimensions are necessary, of course, but it is the second two, the Collaborative and the Adaptive, that in recent years have become the most important. In fact, one might argue that the lack of attention previously devoted to them accounts in important ways for the circumstantial discomfort with governance that is episodically apparent throughout the country. Studies limited to these two dimensions prove no more enduring than the score from a game of darts involving different diagrams of governance models as targets.

In a recent paper for the Association of Governing Boards of Universities and Colleges, Darryl Greer moved the discussion a notch or so when he wrote, "Governance, in large part, defines who is accountable for what outcomes, who is responsible for decision making and service delivery, and who has the authority to evaluate and enforce decisions. Governance means collectively making authoritative decisions about how to allocate scarce resources among competing interests and, by definition, ensuring that these decisions are legitimate because they have been reached through participation and consultation rather than through coercion."¹¹

C. Higher Education Governance in Colorado

A lot of people in Colorado have collateral responsibilities for governing the higher education system. By rough count there are ten boards responsible for higher education delivery sites or organizing and coordinating the delivery of services. A much greater number of advisory boards provide a community perspective. Four of the formal boards govern multi-campus systems and four manage independent or 'standalone' institutions.

Three boards are composed of elected members; the members of the rest are appointed by the Governor. The Auraria Board of Directors, which is constituted of appointed and ex-officio members, is responsible for running the Auraria Center in Denver. Finally, the CCHE, the state's higher education coordinating board, whose members also are appointed by the Governor, rounds out the list of obvious participants.

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Structurally, this many governing boards may seem like a lot for 28 colleges and universities, but the ratio is not unusual. Certainly at different times in its history, Colorado has had more. What is unusual is Colorado's mixture of multi-campus, single campus, elected, and appointed boards. It may be unique among the American states in this respect.

From time to time, the governance organization chart for Colorado has been described as 'messy,' although this observation is followed quickly with the statement that such messiness should not bother anyone. There is no special virtue in more tidy arrangements, especially since organization charts, no matter how orderly or complex, depict only the most obvious of the dimensions, the Structural.

Governance arrangements in the American states usually are products of long histories characterized by trial and error. Because of this, there exist at least fifty different governance models; none is perfect, and none is fully transplantable. Colorado's governance system also formed incrementally over time, with modifications occurring as ad hoc responses to particular needs or problems, although, to be sure, two comparatively synoptic adjustments occurred in the 1960s and the 1980s. The fact that the system is relatively stable suggests that it has achieved some congruence with the needs of the state's pluralistic society. It may not be perfect, but it is certainly not something one should disassemble thoughtlessly.

In a recent book, Terrance MacTaggart stated that "By itself, governance restructuring doesn't improve anything." Reorganization is not an end in itself; rather, it must be a means to an end. A failure to recognize this can lead only to disruptive changes with little lasting gain.

There are other reasons for such a conclusion. Already we have noted that the *structure* of governance is not the only variable. In almost every respect, structure is a comparatively superficial aspect. Most states have experienced situations in which an organization was regarded sequentially over time as effective, ineffective, and then effective again, while the only elements that changed were the people involved. The structure persisted untouched throughout the cycles.

This has been the case in Colorado. The same statewide board with the same structure, authority, and responsibilities has been regarded at different times either as effective or ineffective, supportive or antagonistic, depending on its emphases and on the objectives and commitment of the board members, the talents and priorities of the CEO, and the quality of the staff. The structure never changed. In fact, the structure of higher education governance in Colorado has not changed materially since the mid-1980s.

Thus, while structure is important, as are the various responsibilities or functions of governance, these are not the only things. The principal questions should be directed not at the shape of the governance structure, or even to what it does, but at how well it is working. And this is why an interest in the Collaborative and Adaptive dimensions is essential.

Assuming that dedicated people at all levels of government do the things they are expected to do, decisions about effectiveness beg questions about relationships and fit. Since there is no ideal structure to which all states can aspire, and since the functions of governance are fairly common, understood, and shared, an assessment focused on these alone is not likely to reveal much: either the system is working or not; either some functions are being fulfilled or not.

The real questions are whether the structure and functions of governance are meeting needs and expectations, managing conflict, and keeping up with changing events. The answers to these will be apparent in the extent to which the relationships are helping or impeding the delivery of services; the presence or absence of mutual trust and regard; the impressions of how well things are working, particularly among those who are affected by or vested in higher education; and whether they are assuring that the higher education system is responding to the expectations emanating from its social, political, and economic contexts.

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The structure and functions of governance in Colorado are reviewed in this study, and findings and recommendations are offered on each. The main findings, however, are that the higher education governance system of Colorado is neither very Collaborative nor very Adaptive. These dimensions receive a lot of attention in the program we recommend.

Notwithstanding the fact that throughout the study we encountered opinions that “the problem is not governance,” we feel the problem in Colorado *is* governance, at least to the extent that it is manifest in the sub-optimal relationships, atmospheres of mistrust, and impediments to change resident in the existing system. Indeed, we found more evidence of these among the members of the major higher education participants — the Legislature, the coordinating board, and people at the colleges and universities — than either we had expected or had encountered on many previous occasions.¹²

D. Vox Populi

People in Colorado love their colleges and universities. But we also heard from many in government and industry, and some from less prominent walks of life, who forcefully insisted that higher education is inefficient, unresponsive and unduly combative. We met with people in the colleges and universities who felt differently of course. Many cited a perennial problem of under-funding. Many also believed at least as strongly that the management processes they are obliged to honor are repressively regulatory. We heard from people in rural areas who argued that higher education resources are concentrated to the point of overlap in urban areas, and that the system is persistently unresponsive to rural needs. We heard from people in metropolitan areas who complained of a scarcity of program opportunities because of a perceived diversion of funds to sparsely populated regions. We interviewed people associated with the coordinating board and the Legislature who were troubled that some institutional officials were disingenuous, if not duplicitous, and we heard from institutional folks who maintained that the relationships with the state were so politicized and bureaucratized that the ability to respond to requests for information promptly and accurately was virtually impossible.

We found no one who was entirely satisfied with all aspects of the system’s performance, but we also heard from a lot of people in Colorado who expressed great pride in their colleges and universities. It was at this greater level of generality that opinions began to converge, and it is at this point that many can share a view that change is both desirable and essential. There also is considerable commonality of thought on some of the promising directions of change: greater collaborative experimentation with new ideas, new relationships, and new ways of doing things.

It is in this sense that the aphorism we heard so often in Colorado, “If it isn’t broken, do not fix it” spoke to only part of the equation. The visible parts of Colorado’s governance system may not be broken, but few would argue that this most accomplished expression of human endeavor cannot be improved. Any meaningful activity must strive for balance with its purposes and setting. Since environments constantly change, and only the rate of change varies, continuous adjustment is essential. Higher education is no exception.

Significantly, the legislation’s call for a governance review is inclusive in scope. The mandate for the study encompasses the entire public higher education governance system in Colorado. Since public policy makers such as the Governor and the Legislature also are part of governance, at least some recognition of their higher education roles and prerogatives must be factored into the equation. Some awareness also is necessary of the administrative agencies that are responsible for various aspects of institutional operations in Colorado, e.g., the State Purchasing Office, the personnel system, the Attorney General, along with others. Some of these, e.g., the state personnel system, were addressed earlier, in the CCHE’s Year One report.

With the exception of the involvement of the federal government, which raises issues that are beyond the scope of this report, the study strives to consider what the respective roles and responsibilities are,

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whether they complement or compete, and, most of all, if they contribute to or detract from the overall effectiveness of the higher education system in Colorado.

A detailed list of questions was circulated in advance of the site visits. Some of these are revisited later in this report. They reduce, however, to these two:

Does the governance structure promote or facilitate, hinder or impede the accomplishment of institutional goals, roles, and missions?

Does the governance structure assist or obstruct the higher education system's transition into the new environment that is clearly forming at the threshold of the 21st Century?

Both questions were posed at the outset of each conversation about the higher education system we had during our meetings in Colorado. Seldom were the responses equivocal.

Public expectations of higher education are changing dramatically. Interest in access and certification, financial scarcity, the expanding application of information technologies, and a persistent emphasis on economic competitiveness argue for reconsideration of the manner in which it is governed and managed.

Such interests also presage a shift in the policy emphasis from the “regulation” side of the state-institution relationship to the “enterprise” side, as both government and the colleges and universities attempt to adjust to new dynamics. Public awareness of the desirability of the need for such a shift is unmistakable throughout Colorado. It is represented in the recurrent usage of such terms as decentralization, devolution, deregulation, and privatization, terms we encountered at each place we visited.

It also suggests that the pendulum that began to swing in the regulatory direction in the 1980s may have swung too far. About that time, writers at ECS offered this:

“[In 1989] It was clear that the growing anger of political leaders about [higher education] costs, productivity, lack of attention to school reform and undergraduate teaching spelled danger ahead. . . . What has happened since has confirmed our worst fears and even more. Most of the creative state initiatives to stimulate attention to undergraduate education — incentive funding, programs to support institutionally-designed student assessment programs or special support for faculty development — are either gone or have been severely curtailed. Instead, legislatures are enacting a spate of legislative proposals aimed at forcing more attention to education priorities: to dictate faculty teaching loads, reallocate funds to undergraduate teaching, re-institute detailed line item budgetary controls, and link measures of student performance to funding and centralized governance structures. Ironically, these changes are being made at a time when policies on public school restructuring are emphasizing decentralization, creativity, empowerment, diversity, and elimination of bureaucratic structures.”³

At least some of what we found in Colorado could be the result of this. Now the pendulum may be poised to swing the other way.

Historically, the people of Colorado have abstained from single or over-arching state higher education governing boards (initial concerns that this study would call for a single university system had to be dealt with early in the process). Even so, Colorado maintains a comparatively tight regulatory relationship with its higher education institutions. It is a coordinating board state but when viewed on a scale that ranges between strong controls on institutions on the one hand, and institutional substantive and procedural autonomy on the other, Colorado's higher education policy structure has been closer to the control than the autonomy side of the scale.

The initial decision to employ a coordinating board system in the early 1960s was reinforced when the issue was revisited in the 1980s. Still, over the years higher education governance in Colorado has relied on relatively firm regulatory arrangements — roles and missions closely tied to institutional types (community colleges, state colleges, research universities), carefully drawn service area boundaries, proscript-

tions on competition, centralized program review and approval procedures, mandated procedural requirements, etc.

Now a shift in interest from controls on institutions to more tractable management relationships is forming. These are apparent in calls for greater flexibility and incentives to respond more directly and immediately to public needs, and in a new reliance on such structures as performance indicators for assurance that this is being done and that the public interest is being served.¹⁴ The frequently maligned Quality Indicator System [QIS], with its emphasis on performance standards, could be one of the harbingers of this shift in Colorado.

E. Trends

The policy framework for postsecondary education is not only shifting from an emphasis on regulation to a new reliance on market forces, in a related way it also is shifting from a narrow focus on providers — public colleges and universities — and clients — recently graduated high school and on-campus students — to a broader definition of customers drawn from a much expanded spectrum of society and wider conceptions about where and when education occurs. These are crucially important changes.

In 1997 ECS described some of these shifts in the following terms. According to this view, the higher education policy emphasis is shifting:

From “rational planning for static institutional models to strategic planning for dynamic market models;”

From a “focus on providers, primarily public institutions, to a focus on clients, students/learners, employers, governments;”

From “service areas defined by geographic boundaries and monopolistic markets to service areas defined by the needs of clients served by multiple providers;”

From “a tendency toward centralized control and regulation through tightly defined institutional missions, financial accountability, retrospective reporting to more decentralized management, using policy tools to stimulate desired responses (e.g., incentives, performance funding, consumer information);”

From “policies and regulation to limit competition and unnecessary duplication to policies to ‘enter the market on behalf of the public’ and to channel competitive forces toward public purposes;”

From reliance on a “budgeting, funding formulae, and resource allocation focus primarily on inputs and cost reimbursement to recognition of multiple sources of funding and an emphasis on ‘return on investment’ performance and outcomes from state/public investment;”

From “quality defined primarily in terms of resources (inputs such as faculty credentials or library resources) as established within the academy to quality defined in terms of outcomes and performance as defined by multiple clients (students/learners, employers, government);”
and

From “policies and services developed and carried out primarily through public agencies and institutions to increased use of non-governmental organizations and mixed public/private providers to meet public needs (i.e., developing curricula and learning modules, providing student services, assessing competencies, providing quality assurance.”¹⁵

The causes and effects were summarized recently by Arthur E. Levine in an article in *The Chronicle of Higher Education*.¹⁶ Levine identifies shifting demographics, new technologies, the entry of commercial

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organizations into higher education, changing relationships between higher education and state and federal governments, and the move from an industrial to an information society as the forces with the power to transform the nation's colleges and universities. In his view:

"Higher education providers will become even more numerous and diverse." The most successful institutions will be those that can respond quickest and offer a high-quality education to an international student body.

"Three basic types of colleges and universities are emerging." These are traditional residential institutions ("brick colleges"), new and usually commercial virtual universities ("click universities"), and combinations of these two ("brick and click universities"). Who will control and where these trends will lead is problematic.

"Higher education is becoming more individualized; students not institutions, will set the educational agenda." The question for colleges and universities will be how to retain and provide services for students with diverse backgrounds and individualized education goals.

"The focus of higher education is shifting from teaching to learning." The 'seat time' process ultimately will give way to outcomes, or results. "Time will become the variable and learning the constant." In Levine's words: "Such a development raises very large questions about the meaning of a two-year and four-year degree. It also shifts the definition of excellence from the institution's selectivity in admitting students to the value the institution demonstrably adds to each student's learning experience."

"The traditional functions of higher education could become unbundled." Teaching is the function generally thought of as profitable. Research and public service, higher education's other functions, are either non-remunerative or profitable for only a few. If colleges lose out in competition for teaching profits, how are research and public services protected?

"Faculty members will become increasingly independent of colleges and universities." According to Levine, the most renowned will be able to attract students in much the same way that rock stars attract audiences.

"Degrees will wither in importance," as transcripts replace them in value.

"Every person will have an educational passport," as central agencies assess, record, and provide documentation of each person's education achievements.

Finally, "dollars will follow the students more than the educators." Levine surmises that "It's quite possible that the federal and state [budget dollars] that support institutions of higher education will be transferred directly to students."

One need not agree with all of these prognostications to know that important things are happening and that they invoke much different views of governance relationships and roles than existed only a few years ago.

As they solidify, a new placement on the governance policy spectrum will be required for Colorado, one that reflects a change in the relative importance that now exists between regulatory and incentive strategies to attain public policy objectives. If colleges and universities are to adapt to new and more customer responsive ways of doing business, they must be allowed to do so. Either the regulatory constraints will have to be appropriate and compatible, or other approaches to accountability will be required.

In the end, the effectiveness of the state higher education system's performance will depend on the extent to which it aligns with social and political expectations. It was the changing higher education setting that prompted Pat Callan, Joni Finney, Kathy Bracco, and Richard Richardson to speak to the importance of the relationship of higher education to the political culture of the state. These writers

imply that the four options for state policy may be: (1) to continue subsidizing higher education providers with little regard for the market, e.g., returning to a status quo ante; (2) to continue the state as regulator of higher education, specifying the relationship between institutions, constraining administrative discretion, etc., in effect continuing the status quo; (3) to view the state as consumer advocate by redirecting some allocations to students, thereby stimulating the influence of market choices on institutional behavior; and (4) to treat the state as a “steerer” of higher education by structuring the market for higher education services to produce outcomes consistent with governmental priorities, the likely emerging future.¹⁷ The trends are in the direction of the last two of these.

Many people in Colorado express similar views on how higher education’s business will need to be done. The problem is less a paucity of opinions on the need for change than uncertainty about the most appropriate means to encourage and accommodate it — how to get from rhetoric to reality, how to operationalize some of these ideas.

Such considerations must be taken into account if any proposed modifications in the way business is done are to work. They also demonstrate that any efforts to identify key governance issues in Colorado evoke complex issues. The process of change, accordingly, must be sensitive, participatory, and informed. Most of all, it must be orderly.

These are the values we stress in this report. It is organized around the order of the four governance dimensions we believe must be addressed, Functions, Structure, Collaboration, and Adaptation. But before that, the report opens with the program of adaptation for Colorado that we believe is desirable, feasible, and promising. This is described in the next section, Chapter Two. It is based on opinions formed during our visits to Colorado, the papers, data, and other material that were collected as part of the study, the analyses of these and other materials, and a fair amount of collective experience in higher education.

Governance is a very technical subject. Much of it is explained and addressed in the ‘technical papers’ that sequentially follow. These start with a review of the functions and purposes of governance, the essence of Chapter Three. The structure of governance is addressed in Chapter Four. Comments on the costs of governance in Colorado also are presented in these pages. We were asked to examine the governance systems of other states, and this comprises of the essence of the fifth chapter.

We then turn to the Collaborative and Adaptive dimensions in Chapter Six, considering how the changing higher education setting is rendering relationships and the tools of coordination that were effective in an earlier era either less effective or obsolete now.

Details sometimes involve technical considerations that are about as interesting to read as a navy drill manual. Attention to such matters is mandated by the study directive, but some readers may wish to treat these sections lightly. We encourage them, however, to read the sections directed to such matters as colleges and universities as higher education providers, charter institutions, and other aspects of change and adaptation.

Our summary of the popular views of Colorado higher education heard during our meetings is presented in Chapter Seven. The report concludes thereafter.

Accomplishment of the recommendations will involve an extensive period of implementation. Hence, the report’s title, “Steady Progress,” was chosen advisedly. Too often, it seems, solutions to public policy problems are offered and then left to their own devices. This is not what we believe is needed in Colorado, and we wanted the title to emphasize that. We might have preferred “Steady Work,” but the issue is not guaranteed employment. Rather, the need is for receptivity to change, and for the dedication, commitment, and persistence necessary to achieve it. We want this program to succeed.

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With at least equal dedication we want it to lead to improved opportunities for students throughout Colorado. When governance is the topic of interest, it is easy to forget about the ultimate objectives of all of that, the students. We have tried not to do so, but sometimes a reminder can help.

We should say something at this point about the use of the first person plural pronoun. The report is the product of a team effort. The members of the governance team are Dr. Lyman A. Glenny of Walnut Creek, California; James M. Furman of Seattle and Phoenix; Dr. Anne-Marie McCartan of Richmond, Virginia; and Patrick M. Callan of San Jose. Dr. William H. Pickens of San Diego worked on the cost identification effort. Dr. Lee R. Kerschner, of Weimar, California, a former Executive Director of the CCHE, served as an advisor on the study. Dr. William Chance, of Olympia, Washington was the project team manager.

Finally, readers should be advised that they will not find many figures, charts, or graphs on these pages. There are reasons for this, not the least of which has been the emphasis on qualitative as distinct from quantitative research in the approach. This was not only the more appropriate methodology, but it was necessitated by the limited time available for the study. It also was allowed by the fact that this report represents one of a much larger number of chapters in the volume that constitutes the response to HB 99-1289. For those who may be interested in numbers about Colorado higher education, we recommend that they turn to the other chapters of the CCHE Year One report or to the recently adopted Master Plan. There is considerable quantitative information about Colorado higher education to be found there. Since it is there, we have been able to resist the temptation that charts and graphs create. Brevity is a virtue, and if it has not been fully attainable here, because this report is one part of a much larger volume of material, at least we have been able to admire it.

II. STUDY FINDINGS AND RECOMMENDATIONS

A. System Strengths

We were asked to identify strengths and weaknesses in the present system. We start with the strengths. There are many.

First, we consider the absence of a single higher education governing board for all of the public institutions, or even for only the four-year institutions in Colorado an important strength. It allows for a mix of institutional arrangements — multi- and single-campus — and institutional types — research universities, specialized institutions, regional colleges, and for a variety of open access institutions — which we consider a related strength. Such a diversity of governance and institutional forms precludes the presence of higher education hegemony in any one sector and a focus on a single set of institutional values. This diversity also sustains the system's potential for responsiveness to a wide range of students and needs. It is a value worth protecting.

The institutions themselves comprise an equally important strength. The CU and CSU systems, the Denver medical center, the School of Mines, UNC, Metro State, and the colleges located in such places as Alamosa, Durango, Grand Junction, and Gunnison are precious assets. Some are nationally regarded. More important than that, people in Colorado esteem them.

Colorado's community college system, we believe, is a significant strength. We appreciate the tolerance for governance diversity that this system displays. Some presidents suggested that it performs as a comparatively loosely-coupled structure that provides as many services to the institutions as the reports and data it requires from them. Not all feel this way, of course, but we did not encounter many people, either in system institutions or on local district campuses, who had very much negative to say about this system or, as important, about the associations that form among those within it.

The institutions that serve Colorado's rural regions, two-year and four-year, are obvious strengths, although their full potential as regional higher education providers is yet to be fully realized. We have some things to say about that, but the higher education resources they comprise for their communities and regions is something of great value.

Although the state's higher education industry is closely regulated, we believe that within that regulatory structure institutions possess a considerable amount of freedom and flexibility in some areas. This is particularly so in the budget area, where Colorado colleges and universities need not deal with a lot of line item specificity and multiple proscriptions on shifting funds from one object to another without going through layers of state fiscal authorities. We talked with several presidents who had worked in other state systems before coming to Colorado. Some have strong feelings about the Legislature and the CCHE, but none said they would trade what they have now in terms of fiscal flexibility for what they had before. Thus, we consider this to be one of the strengths of the present system.

Last, we were consistently impressed by the acumen and dedication (and certainly the hospitality) of the people we met at the institutional meetings. Board members, administrators, faculty, and students were among those directly associated with higher education who took the time to meet and inform us and learn more about the study. Colorado is blessed with some excellent people in its higher education systems and institutions. They comprise an enormous strength.

B. Matters of Perspective

1. CU's Elected Board of Regents

There are other aspects that may be considered strengths or weaknesses, depending on one's perspective. One is the constitutional footing of the University of Colorado system. The State Constitution is the legal foundation on which the elected Board of Regents and the components of the UC system rest. It is considered a strength by those who manage and work in that system.

Others consider it a weakness. Often we were asked in conversations about the study if we planned to "do anything about the elected UC Board of Regents?" These questions recurred during the draft report review period when readers noted that we had discussed but not called for a change in the draft report.

There were reasons for doing so. From a pragmatic perspective, changing state constitutions when important institutions of higher learning are involved is not a quest to be undertaken lightly. We believe there are more substantial things that we would like people in Colorado to consider, and any concerted effort to change the Regent selection process could only be a distraction from these.

At the same time, we were perplexed by an associated dilemma created by the UC's constitutional status. This devolves from a reference to the system components in the Constitution. From the perspective of the changes we think Colorado should consider, the reference in the Constitution imposes an important limitation. If because of it the CU system enjoys some protection from change without a public vote, it also seems that it cannot be expanded by adding institutions without amendment, at least short of creating status disparities within the system. If the UC system does not figure as prominently in some of the report's recommendations on realignment as some might like, this is the reason.

During the review process we were persuaded that the issue should be examined. We have returned to it with a recommendation for legislative review and a statewide debate focused on the single issue of an elected Board of Regents. The topic should be addressed distinctly and independently of any other aspect of higher education governance. The goals of the recommendation are to get the issue on the table and stimulate a dialogue that can lead either to a consensus on the need for a Constitutional amendment or to an agreement that the present procedure should not be changed.

2. The CCHE

Another feature of the higher education system that may be considered a strength or weakness depending on perspective is the manner in which the CEO of the Colorado Commission on Higher Education is appointed. As the head of the Department of Higher Education, a cabinet position, this person is ex officio head of the Commission.

Colorado is one of a few states with a higher education director appointed by the governor. Our initial uncertainties about this related to the potential this arrangement holds for policy swings each time a new administration assumes office. The alternative we considered was an arrangement in which the Department of Higher Education head would be the ex officio Chair of the Commission, and the Commission itself would appoint the Executive Director. As Commission Chair, the Department Head also would serve as the Secretary for Higher Education on the governor's cabinet.

There are several reasons why we are not recommending such a change. First, we did not wish to make this a focal point of the report. There are other important things to consider. Second, we could not guarantee that the other arrangement would be more desirable or work any differently. We reviewed examples of the alternatives we discussed, but these also displayed results not much different than those that people complained of in Colorado.

Third, and most important in the context of the other changes we are recommending, we believe that the

close association between the governmental and higher education sectors afforded by the CCHE's direct connection to the governor's office and its statutory relationship with the legislature is a value. It provides a crucial nexus between higher education and the elected sectors charged to represent the public interest. This is especially important now, as the most immediate beneficiaries of many of the recommendations will be the institutions. A considerable amount of faith on the part of the political decision-makers will be necessary for change to happen. They will need to look to the coordinating board to make it work, and for assurances that it is.

The strengths of the present arrangement may be best understood in this context. The chances of a higher education drift from public priorities during what is likely to be a lengthy transition period is managed accordingly. This is why the Legislature made the change to the present arrangement a few years ago (prior to that, the CCHE Director was appointed by the Commission; the change was made because the Director was a member of the cabinet not appointed to that post by the governor). And while some lament a perceived lack of higher education advocacy in Denver, there are many presidents in other states who would like to see a cabinet position for higher education.

Finally, we believe there are other ways to enhance collaboration. These center on improved communications and greater mutual understanding of the respective roles and responsibilities of the participants in the process. Thus, we feel this feature of the governance system is necessary at this time and do not recommend a change.

3. Auraria

Auraria represents still another mixed attribute. We believe that the approach to metropolitan Denver higher education needs apparent in the Auraria Higher Education Center has the potential to become a great strength. Auraria has experienced growing pains, and it still has some growing left to do, but it also is an important model of institutional co-location on one of the most beautiful urban campuses in the world. A lot of states, and certainly a lot of cities, would settle for some of the problems Auraria has had in return for what it is now.

At the same time, the intermittent heckling that has accompanied Auraria's growth is a weakness. Much of it is based on perceptions that too many institutions at Auraria are doing too many of the same things, assigned differences in admissions standards notwithstanding. We believe the dissonance can be quieted and support for Auraria can be increased through a process of mission adjustment for the institutions located there.

Several solutions emerged during the review process from people who were concerned about problems at Auraria. One comparatively popular approach centered on a merger of the three colleges and universities into one institution under the University of Colorado (i.e., converting Auraria into a UC-D campus). The differentiated admissions standards among the three would be retained somehow to provide different points of access; students would be able to choose different paths of different rigor. Assessments at the end of the sophomore year would apply at the point of entry into different programs or majors. The arrangement would be enhanced further by the designation of the UC-D (combined) as a charter university.

Another solution also involved a merger of the three, only in this case into Metro State College (Auraria would become Metro State's campus). The result would be an institution with a strong teaching faculty and a smaller research faculty with direct ties to Boulder. There would be two tracks, or streams, for students — one leading directly to professional careers; the other leading to graduate studies at Boulder.

Both of these stressed the elimination of multiple administrative arrangements at Auraria, and each has something to offer. Each also presents problems. The Constitutional issue was addressed earlier and that

would be involved in either case. The most obvious operational problem, however, would be the mission tangle that would ensue at the combined institution as it tried to be several notably different things at the same time.

That problem might be solvable, but the solution we settled on is less dramatic. It involves mission clarification among the three institutions operating at Auraria. The object would be a form of mission blending based on differentiated commitments and emphases, a total that would be greater than the sum of its parts. It begins with the view that the University of Colorado at Denver should focus on graduate and professional studies. Undergraduate programs unique to UC-D, including Engineering, would fit within the 'professional' part of the emphasis and would continue. In effect, UC-D would be a specialized graduate and professional institution similar to the UC Health Sciences Center in its commitment to a clear, unique, and crisp mission in Denver. The potential for excellence would create an enormous asset for the people of the area.

For its part, Metro should emphasize its qualities as an open door undergraduate urban university and assume principal responsibility for baccalaureate programming in the fields not unique to UC-D at the site. Presently there are a number of undergraduate programs in the same fields offered both by UC-D and Metro at Auraria. This overlap is defended by arguments of an assumed need for differential admission and quality standards. Whether qualitative differences between Metro and UC-D exist and are of sufficient magnitude to justify parallel offerings or not, an assertion that they are necessary becomes a self-fulfilling prophesy. If one institution offers a program inventory ascribably dedicated to one class of students, and the other is left to offer similar programs to everyone else, the implicit status disparity will dim both the luster of Metro and the accomplishments of those who go there. Course sharing may occur (as it does in some cases), but the potential for redundancy will continue. In a setting of limited resources, the quality of programs at both institutions will continue to suffer.

This is an argument on which reasonable people can disagree. But whether or not, we believe that each institution is much better than the people who attend the other think it is. Both need distinctive program emphases if they are to reach their potential. This is what we mean by the need for clarified missions at Auraria.

The presence of the Community College of Denver at Auraria is another important consideration. Along the lines of mission clarification, a promising emphasis for CCD may be found in its potential as a technical community college. A technical community college is something quite different from a 'voc-tech school.' Technical community colleges emphasize courses and programs designed to meet the occupational, basic skills, and literacy needs of students, and the cultural and economic development needs of communities. It is a matter of tone, as they also perform many of the signature functions of more conventional community colleges.

This is the vision and these are the mission emphases supported by the recommendations of this report. Some things will need to happen before they can work, and some of these are described in the recommendations (e.g., differentiated state funding for undergraduate and graduate education). But we believe Auraria has the potential to support a mutually reinforcing distribution of responsibilities that would ensure efficient and high quality responsiveness to Denver's higher education needs, encourage strong legislative and public support, and allow each institution to prosper and grow.

C. Observed Weaknesses

We also are expected to say something about weaknesses. There are some of these. Many are identified in the pages of the CCHE's Year One report to the Legislature. For example, CCHE reported on difficulties associated with the system's cost identification capability (also encountered during the governance cost identification effort referred to later in this report). Differing impressions abound on the adequacy of funding for Colorado higher education, but many believe it is under-funded (the Year One report

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notes that state funding increased 85 percent between 1989 and 1999; it also notes that state support decreased from 79 percent to 68.5 percent over this same period). Concerns for education quality are aroused by recent shifts in balance from instruction to research. The CCHE reports that instruction outlays as a percent of all higher education expenditures declined during the last decade while research's share increased (general campus administration costs remained constant).

A recent report on pricing (tuition and fees) prepared in parallel with the governance study refers to compression in the pricing structure created by a narrowing of the gap between two- and four-year rates. Declining participation rates in Colorado in comparison with the rest of the country over the past ten years also have been cited.¹⁸ Perhaps even more troubling are disparities in population and high school graduate growth rates, on the one hand, and more static higher education enrollments, on the other. The disparities are described in the CCHE Master Plan in the following terms:

"Enrollment in Colorado's institutions of higher learning has remained relatively stable during the past five years, despite fairly significant increases in the state's population and the number of graduating high school seniors. . . Projections of growth for the next five years indicate Colorado's higher education enrollment will show modest increases — from 139,610 to 143,960 full time equivalent students — according to Legislative Council estimates. These enrollment figures are puzzling, as they neither conform to state population growth nor to the numbers of eligible graduating high school students who could be enrolling in the state's public institutions, but are not."¹⁹

Differences in the presence and accessibility in graduate programs between the Front Range and the rest of the state also are referenced in the CCHE's Year One report, as are anomalies in funding for graduate education. Sub-optimal graduation rates, inequities in the distribution of teaching loads between tenured and non-tenure track faculty (with the burden falling mainly on the latter), and lagging faculty salaries are among the symptoms cited in the chapters of that report.

Thus, as with many other American states, Colorado higher education is not without its problems. Those of most interest in this report, however, pertain to governance, especially the relationships that exist between the institutions and the state.

D. Issues of Governance

The main weaknesses in Colorado's higher education governance system center on the Collaborative and Adaptive dimensions. Although many feel that governance is not an issue in Colorado, we disagree. Overall, the system's grade on performance is mixed. Here we are speaking about the whole governance system, including both the formal structure and the policy structure that empowers and shapes it.

The two overarching questions of the study are:

Does the governance structure promote or facilitate, hinder or impede the accomplishment of institutional goals, roles, and missions?

Does the governance structure assist or obstruct the higher education system's transition into this new environment for higher education forming at the threshold of the 21st Century?

The answer to the first question is that the system, writ large, sometimes does get in the way of mission accomplishment. We do not believe that the cause is the structure, at least to the extent that one can reach in and somehow by tweaking correct it, but we feel that the atmosphere of mistrust that has formed in Colorado is one of the artifacts.

Some insist that this is new, but we respectfully disagree. Reminiscences of advocacy ascribed to the coordinating board in recent years, whether accurate or not, were never tantamount to a milieu of trust. Skepticism during the advocacy years was present, and this is one reason why the regulatory ratchet

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continued to click. In its complexity, the present governance system promotes and contributes to the maintenance of organizational pathologies; mutual misgiving and cynicism are two.

Structurally, Colorado is a coordinating board state. The emphasis, however, is on centralized control and regulation, although this fluctuates with changes in leadership, always to the displeasure of one side or the other, especially the one that was previously ascendant.

Whether higher education is over- or under-regulated can be a matter of perspective, but the design is showing signs of aging. The basic policy paradigm has been in place in Colorado for several years. Neither the degree review and approval requirements, for example, are new, nor are the basic budget procedures and conditions. Even the much discussed QIS, which seems to excite love-hate emotions among institutions, dates to the 1996 legislative session. Institutional and system governing board roles and missions date to the 1980s. In fact, HB 99-1289 may be the most significant piece of higher education legislation enacted during recent years, and that, of course, is inquiring into how it all is working, and in doing so suggests that some feel it is not working well.

In a perhaps unintended way, this statute has reawakened anxieties about consolidation — brining everything into one system. We encountered many on our travels through Colorado who insisted that consolidation was part of ‘the agenda’ of politicians in Denver. We found little evidence of such a plan, and, in any case, Colorado is too large and diverse a state, with too strong a history of distributed governance, for a comprehensive program of consolidation to work. The failure of the 1980s task force’s study to catch the imagination of Colorado’s citizens with its call for a single university system is too recent an event to be overlooked. Moreover, serious restructuring, certainly of the breadth involved in movement to a super board, is enormously disruptive, and the reverberations echo long after the decision is made. While some adjustments in the higher education governance structure are recommended in this report, none approach the enormity of a super board solution.

Again, while many in Colorado told us that the problem was not governance, we soon deduced that it is governance. It is manifest in the fact that some properties of the governance structure operate as impediments, and they do so in both directions, top down and bottom up.

As in so much else with governance, there is irony here as well. Most of the ideas that guided our approach and which shape the recommendations are familiar to people in higher education in Colorado. But a penumbra of suspicion casts a wide shadow. We heard a number of interesting ideas, but we did not find much evidence of a capacity to bring these together into an imaginative program of change and adaptation. Many of the expected functions of governance systems seem to unfold in Colorado in a burdensome way, often greeted as bureaucratic intrusions, dampening enthusiasm for new things and new approaches.

The image of governance that forms is like a vision of a large ship making its way through a narrow channel less as a result of skillful piloting than because so many are pulling at and restraining the wheel that the current assumes the vessel, and the passage is made, usually to the surprise of all aboard. Although the essential functional and structural aspects of higher education governance are present in Colorado, the collaborative capacity is weak, and because of this, the system seems unable to adapt in a positive and united way. This is probably a good thing for people in the consultant business, but we believe the state can do better.

It is our view that Colorado can benefit from greater deregulation of its higher education system. This is not so much because of impressions of oppressive bureaucratic requirements, though many feel these exist, but because deregulation may be the only option if people in the state really want a first class, responsive, and balanced higher education system.

The old ways of doing things are not working very well.

As the TABOR Amendment begins to bite, the only real resource available to the state may be the extension of greater management flexibility as the road to increased productivity. We need not again summarize the literature on higher education's forming 21st Century environment to make the point that further centralization is not likely to be the best way to assure harmony and balance between higher education and its new setting.

E. The Challenges

When all is said and done, three major issues were discerned. First, the capacity for change and adaptation is severely limited. Second, access to higher education services, and to the promises of personal enlightenment and individual and community growth that access portends, are unevenly distributed throughout Colorado. Third, an atmosphere of mutual suspicion and distrust is ubiquitous.

The answers called for in this report are largely based on what we learned in Colorado. Some feel the best solution lies in the direction of more local control. Following the examples of the University of Northern Colorado and the Colorado School of Mines, they would like to increase the number of institutions with individual governing boards. Others look to 'charter colleges' as the answers. Still others seek a broadened range of accessible services equitably delivered throughout the state, and turn to Colorado's university systems as the most promising avenues to for that. Most involve more collaborative arrangements and open communications as essential elements.

The new relationships between higher education and government exemplified in the belief in more separately or independently governed public institutions, and is the charter institution solution also represent direct challenges to much of the traditional way in which Colorado has delivered education services — through multi-campus systems. For any number of obvious reasons, direct assaults on college or university systems are difficult to accomplish. For equally obvious reasons, ways must be found to make these solutions work within Colorado's multi-system context. Consequently, both approaches are represented in the recommendations, but considerable effort also is devoted to ensuring that they be given the chance to work within the state's traditional higher education context.

The emphasis of the recommendations is on deregulation and flexibility. They begin with a call for a new 'Colorado Compact Institution Program.' This encompasses an agenda of adaptation centered on the introduction of the charter institution concept to Colorado higher education. Charter institutions necessitate increased managerial flexibility and stable funding. These are provided in the model in exchange for institutional assurances of increased productivity and effectiveness and procedures for the demonstration of accomplishments through appropriate performance indicators. We propose a program to test and evaluate the idea, beginning with a few institutions and, based on the results, the program's phased extension to others.

Interests in separately governed or 'independent board institutions' are addressed by continuing the present relationships with those that already have their own governing boards and in recommendations that call for the movement to that status of some others that operate with comparatively clear and distinct mission statements.

The access issue is addressed with a call for revised missions for several regional institutions and their placement in an expanded CSU system so that the resources of this comprehensive university system can be brought more directly to bear on Colorado's widely distributed higher education needs. Some corollary structural adjustments also are recommended to accommodate these changes.

We believe some changes are necessary in the existing policy area as well. The importance of reconsidering rigid institutional classification structures and missions with more relevant roles is one of these. Actions that might be taken to enhance inter-sector communications and relations comprise another. Thus, each of the major problems, and each of the four dimensions of governance — the Structural, the

Functional, the Collaborative, and the Adaptive —is represented in the recommended program.

While we insist that change is essential, indeed inevitable, we also subscribe to an orderly transition. There are many good ideas about new forms, approaches, and relationships in Colorado, but there is not a lot of experience with them. Several legislators with whom we spoke felt there should be experimentation and change, but they were uncertain about how to accomplish that.

Here we return to the title of the report “Steady Progress” to once again stress that the any effective and enduring program of adaptation will require time, effort, commitment, dedication, and persistence. Rapidity of movement, ‘a rush to judgement,’ is almost certain to guarantee failure. This may be a new and different perspective on policy change in America, but we believe time, testing, and evaluation are essential.

We have all learned to make backups. Perhaps another advantage of the incremental approach is that it allows the state to keep in place much of the policy structure (albeit modified) that exists. Moreover, while a program of change and evaluation is proceeding with some test institutions, others must continue operations in more familiar ways. Should the operation not succeed, there will be something to fall back on.

There is still another reason for this. We feel the transition must allow opportunities for evaluation, adjustment, and correction. Again, the certain route to failure is through investment without evaluation. It would not take much for an honest program of change and adaptation to collapse of its own weight. Thus, in some cases we propose changes that proceed incrementally over a period of several budget cycles.

We were asked to indicate priorities. Obviously, we think all of the recommendations qualify for highest priority. In keeping with the request, however, the priority ranking from first to last is represented by the order of the three main recommendations.

Finally, these recommendations are offered in response to many of the views that were expressed during our extended tour of Colorado. We believe they fit Colorado. We also hope that as we respectfully present them for the consideration of those who live and work in this great state, we may repay some of the gracious hospitality we were shown.

F. The Recommendations

1. We recommend that the state embark on an ambitious program of deregulation and adaptation by establishing the Colorado Compact Colleges and Universities Program.

The Colorado Compact Colleges and Universities Program is intended to introduce, test, and evaluate the charter institution concept in Colorado through a phased process of implementation. The Compact program is intended to permit increased managerial flexibility and stable funding to colleges and universities in exchange for institutional assurances of increased productivity and effectiveness and agreement to demonstrate promised accomplishments through appropriate performance indicators

The major purposes of the program during the first few years are to experiment, test, pilot, and adapt the concept. These experiences will shape the final form of the program and the relationships between the institutions and the state.

The principle goals of the Colorado Compact College and University program are to:

- Explore the potential of a less centrally regulated higher education system through a long-term experiment that tests the assumption that state compacts with individual institutions will allow them to operate more effectively and efficiently and demonstrate improved performance in the fulfillment of public higher education purposes.

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- Responsibly accomplish a process of adaptation that proceeds through a series of phases, each of which will allow for the development and modification of clear statements of purpose and expectation, mutually defined and relevant performance standards, and scheduled evaluations.
- Establish an orderly multi-phased program that will progressively accomplish a charter college system in Colorado.
- Ensure a smooth transition by limiting the number of Colorado compacts consummated in each phase and keeping open the option of retraction and institution reversion to previous status in the event of default.

The recommended principles that should guide the Colorado Compact College and University Program are:

- The number of institutions that should be designated as Colorado Compact Institutions during the initial phase should be limited to no more than six and to no more than a comparable number during the second and each of the succeeding phases. Based on the results of the program and the evaluations, all Colorado colleges and universities should be brought into the Compact program in an orderly fashion.
- Each Colorado Compact Institution should have a local board that will oversee institutional compliance with the Compact agreement. If an independently governed institution, the existing board of trustees can fulfill that responsibility. If the institution is part of a larger system, it should have a distinct Colorado Compact board that will oversee Compact fulfillment within the larger system structure. Compact boards within systems might be composed of system board members and public members appointed by the Governor with the consent of the Senate. Other arrangements also may be considered, provided there is a clear locus of responsibility for the institution's compliance with the provisions of the Compact.
- Upon negotiation, or subsequent re-negotiation, of a six-year agreement, the state should provide assurances of stable funding for Colorado Compact institutions for a six year period, with adjustments for enrollment growth and inflation, and it should agree to provide maximum feasible relief from state regulatory, reporting, and other procedural requirements to institutions selected for Colorado Compact status.
- Institutions selected as Colorado Compact institutions should agree to negotiate institutional performance agreements that represent a pledge to the state that in exchange for a stable funding base and relief from procedural controls, the institution will demonstrate that it provides more effective and efficient higher educational services than before.
- Institutional performance agreements should be negotiated and formally included in the Compact. They should describe the services and service goals the institution will pursue and the indicators it will use to report performance on Compact commitments.
- State goals with respect to student access and student financial aid availability should be represented in the agreement. Compact status may allow institutions to set and retain tuition; however, the rate should be within limits set by the state.
- The state, through the CCHE, should retain responsibility for defining the institution's basic role and mission. The institution should be allowed to introduce new programs within its mission. New programs that are outside the scope of the mission should require CCHE review and approval and an amendment to the Compact.
- Compacts may allow institutions to pass along to students cost savings brought about by the

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agreement in the form of scholarships or reduced tuition.

- Any substantial decrease in enrollment during the Compact period should lead to a commensurate reduction in state funding.
- Failure to deliver on Compact commitments within a reasonable time should lead to termination of the institution's designation as a Colorado Compact institution.
- The processes of application, selection, Compact consummation, and monitoring and evaluation should be collaborative, involving the CCHE and the institutions in substantive ways.

Our recommendations for a Colorado Compact Program are guided accordingly. They are the following:

- A) The Legislature should create a Colorado Compact Institution Program. The CCHE should work collaboratively with the public colleges and universities of Colorado in the design of program guidelines.
- B) The first phase of the Compact Program should commence in 2001 and continue with biennial legislative reviews through three biennia. The objectives should be to test the concept, starting with a selective set of institutions that have comparatively distinctive roles and missions and operate in a variety of settings (independent boards, members of systems, etc.) The number of Phase I institutions should be limited to no more than six.
- C) Individual institution and system boards should nominate institutions for Phase I (and succeeding phases) Colorado Compact status, in accord with guidelines promulgated by the CCHE. Care should be taken to ensure that the selection process is not a backdoor way of bestowing special recognition on favored institutions. The institutions that appear to have strong qualifications for consideration during the initial phase because of unique characteristics, distinctive roles, or both, are those listed below. Notably missing from the list are Colorado's two flagship universities, the University of Colorado at Boulder, and Colorado State University. Since the initial phases are periods of testing, evaluation, and learning, the omission is deliberate. The program must start small and then, based on results, expand to the more comprehensive institutions. The following colleges and universities appear to be promising candidates for consideration for Compact status:

The Colorado School of Mines
The University of Colorado Health Sciences Center
The University of Colorado - Denver
Mesa State College
Metropolitan State College of Denver
Fort Lewis College
The University of Colorado at Colorado Springs
University of Northern Colorado
Colorado Mountain College
Aims Community College

- D) Each Colorado Compact College or University should have a board that is willing to assume fiduciary and oversight responsibilities for Compact obligations. In an effective sense, the president of the institution should serve at the pleasure of the compact board. If an independently governed institution, the existing board may also be the compact board. If an institution within one of Colorado's multi-campus systems, a distinct local compact board should be designated. Compact boards within systems should be composed of some members of the system board and some public members appointed by the governor and confirmed by the Senate. Other arrangements also may be considered. Terms of members of compact boards

should be staggered, and members should be eligible for re-appointment. Resolving the tension between the need for a local Compact board, on the one hand, and the designation of Compact institutions within university systems with their system governing boards, on the other, should be a primary interest during the implementation stage. The CCHE and the system governing boards should join in the search for the right solution and balance.

- E) The CCHE should work with the governing boards and institutions involved to identify the terms of the Compact and the evaluation standards for the Phase I institutions.
- F) Phase I of the Colorado Compact Program should continue through the 2005-2007 biennium. At the end of the first biennium, the CCHE should prepare and submit a report to the Legislature on the results of the first two year test. If those results are promising, CCHE should commence work on compacts with the institutions to be afforded charter status in Phase II, which should commence during the 2003-2005 biennium. Based on the results of the Phase I and Phase II experiences, the Legislature should direct the CCHE to extend the concept in an orderly fashion to remaining Colorado institutions.
- G) As part of the planning process, the CCHE should study and prepare a report on procedures, including personnel, purchasing, and contractual requirements, that affect institutional operations, and on requirements that emanate from other state agencies. The objectives should be to identify those procedures that can be waived through the Colorado Compact program and those that might be waived or reconsidered because of their effects on other institutions.

2. We recommend that Colorado consider certain structural realignments in its governance system to increase the potential for responsiveness to community and regional higher education needs.

Several structural changes in Colorado could improve the potential to respond to higher education needs that exist in a variety of settings. Some of this can occur through new ways of classifying higher education institutions and by changes that could increase their capacity to bring a broader range of system resources to rural and remote settings.

- A) The CCHE should review institutional role and mission statements for their adequacy and relevance to changing conditions of Colorado. Particular attention should be directed to determining the continued efficacy of mission distinctions based on stratified admissions categories and their effects on the capabilities of regional higher education providers to meet a broad range of needs in different areas of Colorado. The Commission should involve the boards and institutions in this mission review process. The goal should be a definition of distinctive roles and missions for each institution that can be used both to expand service and in the development of the Colorado Compacts.
- B) The roles and missions of Colorado institutions, particularly the present state colleges and those community colleges located in rural settings should be guided less by their status as “State Colleges” and “Community Colleges” and more by a designation as “Regional or Community Higher Education Provider.” For purposes of strategic planning, Colorado should depend less on institutional classifications keyed on abstract taxonomies and place more stress on mission flexibility and program relevance suited to the needs of the areas served by the providers.
- C) In order to expand the range of services available to residents of rural Colorado, Adams, Mesa, and Western State Colleges should be merged with the CSU system. As regional higher education providers and as full-fledged institutional partners, as distinct from ‘branches,’ in the Colorado State University System, these institutions should be designated, “Colorado State University — Adams, Colorado State University - Mesa, and Colorado State

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University - Western, respectively, or otherwise named in such a manner that their designation as CSU system institutions is clear. As full-fledged system partners, these institutions should continue with presidents as chief executives, rather than vice-chancellors, vice-presidents, or 'branch campus deans.'

- D) The University of Southern Colorado should be titled "Colorado State University - Southern" or otherwise named in such a manner that its designation as a CSU system partner institution and a regional service higher education provider for southern and southeastern Colorado is clear.
- E) Metropolitan State College of Denver should be governed by an independent governing board and strive to meet those baccalaureate program needs of residents of the metropolitan area not otherwise covered by the graduate and professional programs unique to CU-Denver at Auraria. It should continue its open door tradition but it should be designated Metropolitan State University of Denver.
- F) Ft. Lewis College should be governed by an independent governing board and assigned clarified mission responsibilities as a regional higher education provider. It should continue to emphasize services to Durango and southwestern Colorado, its Native American program specialization, and its cooperation with Pueblo Community College in the provision of comprehensive higher education services in the Southwestern region of the state.
- G) The University of Colorado at Colorado Springs should continue to be viewed as a full-fledged institution of the UC system but with clarified responsibility and flexibility for delivering needed higher education services to the Colorado Springs area and southern Colorado and as another alternative for students who want a residential campus experience.
- H) The governing board for the present state colleges, The Trustees of the State Colleges of Colorado, should assist with the transition of Adams, Mesa, and Western into the CSU system, and Metropolitan State College to the status of an independently governed state university, and upon the completion of the transition, in accord with the schedule specified by the Legislature, discontinue operations. Positive consideration should be given to the reappointment of Trustees to other independent boards, including Metro, and to the governing board of the CSU system.
- I) The CSU system should be managed through an executive position focused exclusively on system issues within the expanded structure. In view of the additional management and planning responsibilities associated with an augmented CSU system, the positions of Chancellor of the CSU System and President of Colorado State University should be separated.²⁰
- J) Similarly, the State Board of Agriculture should be realigned to reflect its expanded system responsibilities. The Board should be renamed "The Board of Governors of the Colorado State University System," and its governing responsibilities should be directed to matters attendant to the system. Board membership may need to be augmented in accord with the expanded system. Responsibilities extraneous to CSU system governance, e.g., Forestry, should be transferred to another Colorado agency such as the Department of Agriculture or the Department of Natural Resources.
- K) When defining regional higher education provider institution roles, it is important to distinguish between interim or cyclical needs, on the one hand, and persistent or sustained needs, on the other. The resources of the CSU system should be available on a cohort or other basis through its institutional partners to address cyclical needs in the respective regions. In the case of sustained needs, these regional institutions should be given authority to offer indige-

nous master's programs. Distance education techniques and the resources and experience of the Western Colorado Graduate Center also should be called upon to bring resources to bear on both the interim and sustained forms of need.

- L) Those community colleges serving as the principal institution responsible for providing higher education services to large rural sections of Colorado, colleges such as Colorado Northwestern, Colorado Mountain, Trinidad, Otero, Lamar, Ft. Morgan, and Northeastern, also should be considered regional higher education providers. These institutions should be responsible for identifying and assuring fulfillment of most higher education needs in the regions served. Typically this should occur through funding provided to them to contract with other institutions for cohort programs in response to cyclical needs and for distance education programs addressed to sustained needs.
- M) Through its RHEP initiative, the CCHE is exploring ways to use the existing community college network for the delivery of baccalaureate and some graduate programs by four-year institutions throughout Colorado. The CCHE also should consider the need for authority for certain regional community colleges to offer a limited number of upper-division programs suited to their institutional resources in cases of sustained need when other solutions are likely to prove impractical or unworkable. The emphasis should be on programs that combine lower division technical specializations with a liberal arts component drawn from the institution's academic transfer curriculum. Any authority for indigenous upper-division programs should not be allowed to diminish the institutions' comprehensive community college obligations, and all such programs should be approved by the State Board for Community and Occupational Education and the CCHE. These institutions should not be re-designated as baccalaureate institutions.
- N) As comprehensive community colleges, and as regional higher education providers, Northeastern Junior College, Trinidad State Junior College, and Otero Junior College should be renamed community colleges.

3. We recommend that consideration be given to the following adjustments intended to improve the potential for collaboration in higher education and build state, institutional, and public confidence.

Some of these recommendations speak to public concerns about the possibility of duplication of effort and inefficiencies. Others focus on the need to increase the level and span of involvement in governance, management, and information processes.

- A) Contingent upon the Colorado's willingness to provide differential funding for undergraduate and graduate education, i.e., to fund graduate education at a higher rate, and assurances that any enrolled students will be allowed reasonable time to complete their studies, Metropolitan State College of Denver should assume principal responsibility for baccalaureate education in fields not unique to the University of Colorado — Denver at the Auraria site. The University of Colorado — Denver should emphasize graduate programs and undergraduate programs in the professional fields that are unique to it on that campus. To further reduce the potential for redundancy or duplication, the Community College of Denver could consider a technical community college emphasis. As such, it should retain principal responsibility for lower-division technical and professional programs, basic skills, and workforce development at Auraria.
- B) Metro and CCD should share responsibility for programs and actions to enhance the success rates for minority and first generation students in the region. For undergraduate students who seek baccalaureate degrees from selective institutions in fields outside of UC-D's

unique program emphases, consideration could be given to a merit grant or other assistance that would allow them to attend the University of Denver.

- C) The CCOES Board should review its relationships with the independent community colleges, Aims and Colorado Mountain, and vice-versa. The presence of Colorado Northwestern College within the state community college system may suggest a basis for affiliate status that would allow institutions with separate boards and independent taxing authority to operate fully and productively with other institutions in the system.
- D) The State Board for Community Colleges and Occupational Education should be encouraged to continue its plans to rename its system as “the Colorado Community College System” or in some similar manner simplify the title to reflect the community college emphasis.
- E) The roles and missions of Colorado’s area vocational schools were considered but not addressed directly in the study, as these institutions were deemed to be outside of the purview of a higher education governance study. Observations about functional overlap in the same service area between these institutions and community colleges occurred during the review period. Area school conversion to community colleges or some other arrangement for combining efforts were among solutions that were suggested. Since the area vocational schools were not studied, a conclusive recommendation at this time would be premature. It is a matter in need of further study, and a call for such a study is the recommendation offered here.
- F) The CCHE and the CCOES should review state funding requirements regarding the delivery of off-campus instruction in private facilities to determine what if any detrimental effect they may have on the community college system’s capacity to respond to industrial needs for customized programs and identify and recommend appropriate changes to the proper authorities.
- G) A permanent inter-institutional council composed of representatives of institutions and CCHE charged to resolve remaining problems of credit transfer and inter-institutional relations that affect the facile movement of students between institutions in Colorado should be formed. Particular attention should be directed to associate degrees that constitute prima facie evidence of the successful completion of lower-division studies, problems attending the acceptance of lower-division community college credits in upper-division programs, inter-institutional agreements on lower-division distribution requirements, and other measures that can permanently put to rest reports of students’ inter-institutional transfer problems. The inter-institutional council should monitor progress on articulation matters on a continuing basis.
- H) Colorado should consider a common course numbering system for use in its public institutions of higher learning. The independent institutions should be invited to participate on a voluntary basis. There are models in place in other states that may be emulated to reduce the level of effort involved in the creation of such a system. The presence of such a common nomenclature could contribute greatly to the elimination of many of the problems associated with credit transfer in Colorado.
- I) Communications among governance sectors in Colorado appear to operate at less than optimal levels. Consideration should be given to regularizing periodic meetings between the CCHE Executive Director and the system and separately governed institution leaders, all presidents of Colorado colleges and universities, CCHE staff members and their institutional counterparts, and among the boards themselves. The popularity of the regional meetings

conducted as part of the study suggests that the CCHE should consider public higher education forums at its meetings, which would be held regularly at different localities throughout the state.

- J) Reliable cost information is essential if policy makers are to accurately evaluate alternative arrangements and options. The CCHE has recommended implementation of a common system of data collection. This recommendation is reinforced here. It was impossible to determine the costs associated with the present governance arrangement with precision or dependable accuracy from the data collected as part of the present study. Until basic shortcomings in data and information systems are addressed and improved, neither policy makers nor the public will be able to count on the presence of accurate and accessible data to assist in policy deliberations. As a prelude to the development of a common system of data collection, and to determine both the optimal level of reporting detail and the comparative costs of various higher education activities and functions, a comprehensive cost and expenditures study of Colorado higher education should be conducted.
- K) A number of interests seem to be converging on the effects of the TABOR Amendment on higher education and a possible need for mitigating adjustments. The use of vouchers as an alternative means to fund institutions and to introduce a competitive dimension into higher education is one of these. In the case of the Colorado Compact institutions, an adjustment to the TABOR Amendment directed to the threshold of public funding for qualification as an enterprise from the present ten percent to another figure, perhaps one comparable to half of the average of the public funds received during the previous three biennia, could reinforce the unique character of Compact institutions.
- L) Finally, concerns about the status of the Board of Regents of the University of Colorado System as a Constitutionally-based elected board emerged with considerable frequency both in the report development period and in the review process. This issue needs to be addressed. Thus, the Legislature should consider authorizing or conducting a review of the advantages and disadvantages of the elected board with the object of stimulating a dialogue and informing the public on this issue. If a consensus for change forms, the issue should be placed before the voters. It is important that the matter be studied separately and not linked to or included with studies involving other higher education matters.

These are our recommendations. The remaining chapters of this report are devoted to discussions of the functions and structures of higher education governance in Colorado, the costs of governance, governance arrangements in other states, prospects for addressing collaboration and adaptation, the results of the on-site meetings, and the other components of the study mandated by HB 99-1289.

III. THE FUNCTIONS AND PURPOSES OF HIGHER EDUCATION GOVERNANCE

A. Functions of Institutional Boards

In some measure this study comprises an evaluation of the present system of higher education governance in Colorado. This fact gives rise to questions about what should be the governance expectations: if the system's performance is to be judged, what should be the bases on which the judgment is made?

The issue is complicated by the scope of the inquiry. It encompasses statewide agencies and system and institutional governing boards, and these involve different roles and different expectations. That fact, in turn, prompts different performance measures. The participants may in the end converge on a set of common interests in meeting public needs and accomplishing state goals, but they have different ways of getting there.

Colorado's approach to higher education governance also assures opportunity for a strong presence of political decision makers, and this arouses inevitable concerns about institutional independence and autonomy. That subject must be confronted.

1. On the Matter of Autonomy

In its 1974 summative report, the Carnegie Commission stressed the value of institutional independence and couched its conception of the responsibilities of governing boards in that connection. But on the subject of autonomy, which governing boards in some respects are expected to embody, the Commission, after noting that while "it is customary to speak of campus 'autonomy' . . . **there is no such thing in the full sense of the word.** Full autonomy is always limited by the general law and often also by the charter of the institution. Increasingly it also is limited by state and federal influence and control. Thus, complete autonomy is generally neither sought by higher education nor can it be given by any public authority. Higher education, however, should be substantially self-governing in its intellectual conduct, its academic affairs, and its administrative arrangements. We distinguish these three areas where a substantial degree of independence is essential, and we assert that selective independence — not autonomy — is the issue."²¹

Continuing with the Commission's observations, beliefs in the importance of independence caused it to offer this:

"No natural law confers upon higher education escape from public surveillance. The case for independence largely rests on the professional nature of many of the decisions that must be made, on the need to elicit the devotion and sense of responsibility of the major groups internally involved, on the wisdom of drawing advice and support from interested private citizens, on the costs of partisan political and bureaucratic intrusions, on the desirability of having the campus community as one of the checks and balances in our pluralistic society, and on the experience of history of what works best both academically and politically."²²

Independence is relative, and it does not occur automatically but must be earned, since control follows money, and public institutions are highly dependent on funds from public sources.

The Commission's summary of how this could be done implies one perspective on institutional governing board performance. This involves:

- “Performing, at a high level of quality, functions that are important to the people in the larger society
- Demonstrating capacity for effective self-governance
- Making effective use of resources provided by society
- Abiding by the law on campus
- Assuring institutional neutrality in partisan politics and in public controversies external to the institution
- Preserving intellectual integrity from attacks from within as well as from without
- Giving full and honest explanations — to the public in general, and to legislators and elected administrators in particular — about all matters of broad public concern”²³

All involve building the public trust.

Others have noted that debates about autonomy are often exacerbated by a failure to distinguish between substantive autonomy, on the one hand, and procedural autonomy, on the other. Both government and the institutions have interests in the former, which envelops academic matters. The state has an interest in an educated public, hence in the effectiveness and in the results of the education process. Colleges and universities also have an interest in how this is accomplished, particularly in academic freedom.

It is the second aspect of autonomy, procedural autonomy, that is often at issue in discussions about degrees of centralization and regulation. The distinction is important to many of the changes recommended by this study.

2. Purposes of Institutional Boards

Turning its attention directly to the roles, or functions, of the board and the institutional president, the Commission argued, first, that the board of trustees is an essential institution in higher education, and, second, at its best it serves several functions:

- “It holds and interprets the ‘trust — the responsibility for the long-run welfare of the total institution
- It acts as a ‘buffer’ between society and the campus, resisting improper external interference and introducing a necessary contact with the changing realities of the surrounding society
- It is the final arbiter of internal disputes involving the administration, the faculty, and the students
- It is the ‘agent of change’ in what is historically a conservative institution, deciding what changes should be encouraged and when
- It has the basic responsibility for the financial welfare of the campus
- Above all, it provides for the governance of the institution”²⁴

B. Statewide Boards

In the case of statewide boards, as distinct from institutional boards, numerous authorities have suggested responsibilities or functions that can be used to assess performance. In 1971, Robert Berdahl referred to the de-politicization of higher education issues that can result from effective statewide planning and coordination.²⁵ By de-politicization Berdahl was referring to the avoidance of the direct involvement of

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legislatures in higher education planning and administration. A similar concern was expressed by Clark Kerr as one of the considerations that led to the California Master Plan in the 1960s. Legislative decisions about the establishment of new colleges in sometimes strange and unexpected places were creating anxieties among people in the established institutions in California. Thus, the extent to which the system de-politicizes decision making in higher education by assuring the legislature that responsible decisions in the public interest are being made outside of the legislative chambers is a consideration.

Adding to the discussion, Lyman Glenny has argued that effective state-level planning and coordination in higher education involves representation of the public interest.²⁶ Thus, the degree to which a coordinating board injects the public interest into statewide planning or in its interactions with institutions would be an important evaluation consideration.

Aims McGuinness also has written of the avoidance of political involvement and geopolitical problems as factors, along with continuity in planning and decision-making, sustained attention to system issues, clarification of system and institutional roles, and responsiveness to public policy issues as some of the benefits of effective statewide agencies.²⁷ All of these suggest important statewide agency functions.

Picking up on some of the earlier political involvement themes, Dick Richardson, Kathy Bracco, Pat Callan and Joni Finney report little disagreement about what elected leaders expect. All states expect access, equity, quality, efficiency, and reasonable choice. They expect higher education to contribute to state economic development goals, and that it will remain affordable. They expect reasonable productivity and that institutions will give priority to state residents. They want undergraduate opportunities that meet students' needs and encourage them to complete and graduate within a reasonable period.²⁸

Some consideration of the changing environment in which higher education is operating also is necessary if the system is to be congruent with emergent events. In view of the rapidly changing nature of the environment for higher education in Colorado, this is a particularly important concern. In that connection, Lyman Glenny recently observed that power and control over the institutions of higher education varies widely throughout the country, and it is difficult to impose a single set of expectations.

The patterns range from extensive administrative, program, and budget controls in the strongest statewide agency states to merely providing advice on policy matters from time to time in others. Even those state boards with important controls do not always fully apply them to all of the institutions in their state. Rather, the range of application is dependent on the objectives of the executive officer and the board. Formerly, the weaker statewide boards were not considered very effective. In recent years, with the massive changes occurring in technical fields, some of the stronger boards have begun to decentralize and give more control back to the institutions so they can adapt to the new economic-business conditions. The weaker boards have already allowed such freedom and find little need to change their powers or the severity of their application. Colorado would be listed in the stronger system column.

Some of the most important and far reaching powers on control of institutions and subsystems include the following. But it needs to be noted that to be effective, boards have achieved the cooperation of the institutions and sub-systems by widespread and intensive use of the advisory systems, and they have allowed institutions to respond imaginatively and appropriately to the needs of new forms of industry. According to Glenny, typical functions include authority to:

1. Approve all new programs of instruction and to disapprove existing programs on its own initiative. This power developed in the 1960s and 70s and is being modified, as states recognize the need for institutions to be positively responsive to changes in their local economies, for example, as technology and other companies move into the area with high demands for trained, skilled manpower, for which they must rely on the local higher education institutions to produce. A wide variety of arrangements are forming between these companies and the colleges and universities. The vast majority of workers in most high tech and new age

companies are trained in community colleges. The most successful of these colleges have the freedom to make non-traditional adjustments in programs, in the places chosen to offer training, and in the instructional staff employed. Engineers and high level researchers are the products of the universities. The Universities also modify programs and times and places of offering to meet the needs of the market. Hence these new programs also are not nearly as formal as traditional ones. The students are not held to rigorous standards for admission to the particular institution or program, and in the case of community colleges a high school diploma is usually all if anything that is required. Students enter these colleges on their own initiative or at the behest of the companies in the area that may be paying all or part of the tuition. Many of these students come and go as they complete one or two courses that are directly applicable to their work or expected employment. Formalized degree programs are no longer the only way for an institution to offer instruction or for students to ready themselves for employment. This reality needs to be accommodated in statewide program review requirements.

2. Review budgets of institutions and systems, make whatever adjustments are thought necessary and submit them to the governor and legislature. This is almost always accomplished in conference with the pertinent institution or system representatives.
3. Review submissions for new capital construction and for redoing existing structures. This also typically is done with the participation of institutional professionals.
4. Establish, maintain and modify a data system that can be used to carry out any of the above powers. Such systems are usually always established in conjunction with technical and policy representatives of the institutions and systems. Without such involvement and cooperation, information requests from the board become ad hoc, however meritorious, and the institutions must sacrifice time and energy to reply. Smaller institutions may not have the professional manpower to reply, and the data furnished may be in error. In fact, all institutions can obfuscate data, be selective in what is reported and not, and undermine any data system relying on institutional data. Good cooperation is essential.

1. Effective Governance

In his paper on “Prospective Governance,” Darryl Greer insists that the stress associated with the changes in society’s financial and educational environments is so great that traditional forms of governance will no longer prove adequate to meet the challenges (hence, “prospective governance”). The trends he describes are the same as those discussed elsewhere and throughout this report. Scarcity of funds is the most common point of stress. In his view, higher education must expect less — not more — financial support from the state. The effect will be a leaner, more market-driven, consumer-oriented, and commercialized higher education enterprise. As states dis-invest, and do so with strong public support, consumers will demand more, principally because of higher education’s importance to economic opportunity. This will require the system to become more productive or risk losing public confidence. The application of technology and the presence of profit motivated competitors will force public higher education to become increasingly commercial in both its instructional methods and in its delivery systems. This will lead to changes in traditional faculty roles and shared governance on the inside, and to increased tension between institutions and government regulators on the outside.

Taken together, these trends are transforming higher education. Citing Roger Benjamin and others at Rand to the effect that the existing governance structures will not be effective in the developing environment, Greer notes that these arrangements were established to regulate and distribute resources during a time of growth but they do not function well in a setting of retrenchment and ‘growth by substitution.’

They also were created to protect traditional faculty values and authority and have evolved to maintain the status quo. Finally, they formed incrementally on top of an assemblage that was highly autonomous. With maturation, a lack of clarity and ambivalence about purpose, roles, and expectations has formed from the values of autonomy (to protect academic freedom), on the one hand, and centralized control (in the interest of efficiency and accountability), on the other. Finally, he argues that governance structures “aggregate regulation of too many higher education functions and compartmentalize, rather than integrate, too much higher education policy.”

His solution begins with sorting out **what** the state wants to accomplish with higher education from how this might be done. He identifies the following attributes of effective governance:

- It is focused on common goals, collective purposes, and accountability.
- It distributes responsibility and accountability rather than centralizing it: non-regulation and non-centralization, as distinct from deregulation and decentralization are featured.
- Widely shared values and principles are sought.
- Participatory, but not negotiation processes, are employed.
- Effective governance promotes competition but is not adversarial.
- It values effective decision making and communication about outcomes.
- Finally, it recognizes the need for evaluation and assessment.²⁹

2. Statewide Goals and Purposes

It would be difficult to maintain that all of these features characterize Colorado. There are, however, indications of an interest in changing some of this. For example, Colorado statutes, particularly CRS 23-13-102-104, identify statewide goals and purposes, the first of Greer’s attributes of an effective system. These are presented as part of the legislative mandate for a Quality Indicator System. The legislative declaration that opens this article is focused on projected enrollment increases, finite state government resources, and cost pressures on students and families that underlie demands that the higher education system concentrate on improving both the quality and cost-effectiveness of higher education in Colorado. The goal structure calls for each institution, in accord with its statutory role and mission, to work toward achieving:

- A high quality, efficient, and expeditious undergraduate education;
- Assistance to elementary and secondary education in achieving systemic reform and appropriate linkages between elementary and secondary education, and higher education;
- Effective, relevant, and efficient work force preparation and training programs;
- Integration of technology with the objects of lowering capital and administrative costs, improving the quality and delivery of education, and providing effective stewardship of existing assets; and
- Increased operational productivity and effectiveness in providing services to students.

C. Functions and Purposes of Governance

Based on these and other reflections, the functions and purposes of a higher education governance system may be summarized as follows:

Societal:

- maximize opportunities for postsecondary education
- promote full and honest explanations — to the public in general, and to legislators and elected administrators in particular — about all matters of broad public concern
- accommodate the public interest in statewide planning and interactions with institutions
- keep politics and geopolitical problems out of planning
- advance authoritative decisions that have integrity, efficacy, and can be accounted for — decisions that allow the system to accomplish what it has set out to do and that can be evaluated based upon widely-agreed goals
- encourage innovation, change, experimentation, and adaptation
- serve as a positive force to ensure the state's and higher education's adjustment to emerging demographic, economic, and education trends

Governmental

- promote a focus on common goals, collective purposes, and accountability
- avoid needless duplication in state-supported institutions of higher education
- assure the best utilization of available resources to achieve an adequate level of higher education in the most economic manner
- accommodate both state priorities and the needs of individual students
- recognize the need for and promote evaluation and assessment
- define the roles and missions of institutions to establish as great a distinction among providers as is educationally, geographically, and economically appropriate
- assure that institutions perform, at a high level of quality, functions that are important to the people in the larger society
- assure continuity in planning and decision-making, sustained attention to system issues, clarification of system and institutional roles, and responsiveness to public policy issues

Institutional

- accomplish simplicity of state administrative procedures
- recognize the constitutional and statutory responsibilities of the duly constituted governing boards of state-supported institutions of higher education
- extend authority to institutional boards for general supervision of their respective institutions, including control of funds
- allow higher education to be substantially self-governing in its intellectual conduct and its academic affairs
- preserve intellectual integrity from attacks from within as well as from without

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- distribute rather than centralize responsibility and accountability
- employ participatory, as distinct from negotiation, processes
- promote competition but not be adversarial
- It should value effective decision making and communication about outcomes
- not get in the way of institutions' fulfillment of their basic roles and responsibilities

Colorado's higher education governance system does much better on some of these than it does on others. Part of the reason involves the manner in which the system is organized, and that is the topic of the next section.

IV. THE STRUCTURE, FORMS, AND COSTS OF GOVERNANCE IN COLORADO

A. Colorado's Arrangement

Colorado's higher education system represents one of the more complex structures in the nation. It is a coordinating board state, but it also has a variety of multi-campus and single campus governing boards.

At the institutional level, starting with the multi-campus structures, these include the University of Colorado system, which is governed by a nine member elected board of regents (six whose districts correspond with congressional districts, and three who are elected from the state at large). This system is composed of the University of Colorado at Boulder (UCB), the Health Sciences Center in Denver (UCHSC), the University of Colorado at Denver (CU-DENVER), and the University of Colorado at Colorado Springs (UCCS). As noted, the Regents are referenced in the state Constitution.

The Colorado State University system consists of Colorado's land grant university, Colorado State University (CSU), located at Fort Collins, the University of Southern Colorado (USC) at Pueblo, and Fort Lewis College (FLC) in Durango. It is governed by the State Board of Agriculture, and the board is appointed by the governor with the consent of the Senate.

The third multi-campus system composed of four-year institutions is the state college system, which includes the four state colleges, Metropolitan State College of Denver (Metro), Western State College (WSC) at Gunnison, Adams State College (ASC) in Alamosa, and Mesa State College (MSC) in Grand Junction.³⁰ This system is governed by the Denver-based State College Board of Trustees, the members of which are appointed to office by the governor and confirmed by the Senate.

The Community College and Occupational Education system is the fourth multi-campus governing board. Colorado's community college system was formed in 1967. It was revisited in 1995, when the present arrangement solidified. The community college board is the other component of the state's higher education governance structure with a clear policy role. The board is composed of members appointed by the governor with the consent of the senate. A student, and a member of the faculty, both of whom are elected by their constituencies in accordance with board rules, also are on the board.

Colorado's free-standing or 'independently governed' campuses include the Colorado School of Mines, located in Golden. The School of Mines is a free-standing public university with its own gubernatorially appointed board of trustees. The other free-standing, or independently governed university is the University of Northern Colorado, the governing board of which also is appointed by the governor and confirmed by the Senate.

In addition to these thirteen 'four-year institutions,' Colorado is blessed with fifteen public community colleges. Two of these, Aims Community College, located at Greeley, and Colorado Mountain College, in Glenwood Springs, are standalone institutions with their own locally elected governing boards who have taxing authority.

Twelve of the remaining thirteen — Arapahoe Community College (Littleton), the Community College of Aurora (Aurora), the Community College of Denver (Denver), Front Range Community College (Westminster), Lamar Community College (Lamar), Morgan Community College (Ft. Morgan), Northeastern Junior College (Sterling), Otero Junior College (LaJunta), Pikes Peak Community College (Colorado Springs), Pueblo Community College (Pueblo), Red Rocks Community College (Lakewood), and Trinidad Junior College (Trinidad) — are fully within the governance structure of the State Board

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for Community College and Occupational Education, the members of which are appointed by the governor and confirmed by the Senate.

The thirteenth institution, Colorado Northwestern Community College (Rangely), also is part of the CCOES, but it has retained a locally elected board and some taxing authority since it joined the system.

Although three of these institutions retain a ‘junior college’ title, each pursues a comprehensive community college mission.³¹

The final higher education governance structure with significance for this study is the Board of Directors of the Auraria Higher Education Center in Denver. The governing authority for this complex is vested in the Auraria Board, which is composed of nine voting and two ex officio nonvoting members. The nine voting members include three lay members appointed by the governor, the CEOs of the three schools that share the campus (CCD, Metro, and UC-Denver) as well as a member appointed by each school’s governing board (SBCCOE, State College Trustees, and the UC Regents). The two ex officio nonvoting members include a student appointed by the student advisory committee to the Auraria Board and a faculty member appointed by the faculty advisory committee to the Board.

B. Organizational Sector, and Institutional Higher Education Roles in Colorado

Since all of these entities are public organizations, inferences about roles can be drawn from their legal purposes, as stated in the state constitution or in statute.

The CCHE is one of the Department of Higher Education’s units. The head of the Department, who also is ex officio CEO of the CCHE, is a member of the governor’s cabinet. The principal functions of the Department are to assure representation for higher education in cabinet discussions and provide a department umbrella for the agencies it comprises. The principle higher education functions, however, are those assigned to the CCHE.

The statutory predicate for the coordinating board, the CCHE, is found in the legislative declaration stated in CRS 23-1-101: “The purposes of this article [establishing the state higher education coordinating board] are to maximize opportunities for postsecondary education in Colorado; to avoid and eliminate needless duplication of facilities and programs in state-supported institutions of higher education; to achieve simplicity of state administrative procedures pertaining to higher education; to effect the best utilization of available resources to achieve an adequate level of higher education in the most economic manner; to accommodate state priorities and the needs of individual students through implementation of a statewide enrollment plan; and to continue to recognize the constitutional and statutory responsibilities of the duly constituted governing boards of state-supported institutions of higher education in Colorado. According to this article, *“express powers and duties are delegated to a central policy and coordinating board, the Colorado commission on higher education. The ultimate authority and responsibility [are] expressly reserved to the general assembly, and it is the duty of the Colorado commission on higher education to implement the policies of the general assembly.”* [Emphasis added]³²

The statute clearly denotes legislative expectations that the CCHE is to be an instrument of government rather than a representative of higher education.³³

Expectations concerning the specific duties, and to some extent the approach, of the CCHE also are found in comparatively explicit detail in Colorado statutes. The CCHE has been assigned central functions with respect to funding. Thus, it is required to establish an appropriations distribution system, prescribe uniform financial reporting policies, make annual system-wide funding recommendations (taking into consideration each board and institution’s level of achievement of state expectations and goals as measured by data collected through the Quality Indicator System [QIS]), make recommendations on

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incentives and rewards with respect to the QIS, and establish policies for determining student residency status. The CCHE also is charged to work with a higher education planning committee and make recommendations concerning increases or reductions in previous year funding levels as coming fiscal year base funding.

It has pivotal responsibilities with respect to capital construction and long-range planning, perhaps as best represented by the statute's [CRS 23-1-106] opening statement: "It is declared to be the policy of the general assembly not to authorize or to acquire sites or initiate any program or activity requiring capital construction for state-supported institutions of higher education unless approved by the commission. After consultation with the appropriate governing boards and state administrative agencies, the CCHE is given authority to prescribe uniform policies, procedures, and standards on space utilization, and review and approve master planning and program planning for capital construction projects (regardless of the source of funds). Projects involving less than \$500 thousand of state moneys can be excepted from these requirements, at the discretion of the CCHE. Other aspects of the capital planning process also are laid out in subsequent subsections.

The CCHE also is the focal point for the state in the area of advanced technology in higher education. Here it has responsibilities to establish priorities for the distribution of equipment and funds, integrate the needs of advance technology industries into its overall master plan, facilitate technology transfers and cooperation between industry and higher education research programs, establish centers of excellence in research and teaching, promote and establish research centers, and so on, in a long list of obligations in this realm. The legislation also mentions the use of advisory committees.

The CCHE has program review and approval authority, consistent with institutional roles and missions and the statutorily specified statewide expectations and goals noted earlier [CRS 23-1-107]. It also is required to establish criteria for the discontinuance of academic or vocational programs, after consultation with the institutional governing boards. This statute also speaks to the issue of duplicate graduate programs among multiple institutions. Here CCHE is required to develop uniform comparative evaluation standards taking into account program productivity (degree conferrals), roles and missions, interconnections with other programs on campus, national recognition, and other such considerations. Institutions are required to submit their plans and schedules for periodically reviewing and evaluating their programs. The CCHE is obliged to ensure that orderly processes govern program phase-outs.

The Commission has mandated system-wide master planning responsibilities that encompass program planning, role and mission specification, enrollment policies, policies that differentiate admission and program standards, statewide affirmative action policies, and, at least once each four years, require it to report to the education committees of the general assembly on the "need for, advisability of, or progress toward reorganizing the structure of public higher education in Colorado."

Other planning interests concern system-wide policies on administrative costs and criteria for determining if an institution should be consolidated or closed (and make closure or consolidation recommendations to the general assembly). References also apply to developing cooperative programs among institutions and inter-institutional transfer agreements, establishing tuition and fee policies, procedures with respect to the timely completion of programs, off-campus instruction (including specification of institutional service areas, K-12/higher education transition, the QIS, and conducting the studies called for in HB-1289.

Many of these appear in statute as legislative directives to the CCHE. In addition to some of those mentioned above, statutory directives address such matters as academic admissions standards, resident admissions, reducing the number of Education programs, programs of excellence, incentives for improvement, approval of teacher preparation programs (to meet performance based standards), principal and administrator preparation programs, and fee policies.

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Inter-institutional student transfers comprise an issue of some interest in Colorado, at least to the extent that the subject emerged at virtually every meeting the project team conducted in Colorado. The statutory language on this subject, appearing among the list of CCHE duties, is very specific. Among other things, the CCHE is required to establish such transfer agreements, and the institutions are required to honor them. These oblige institutions to accept all credit hours of acceptable course work for automatic transfer. Students who transfer into an undergraduate program at another institution cannot be required to complete a greater number of credit hours in order to graduate than are required of native students.

Also noteworthy is the fact that the Commission is required to utilize the services of a statutory advisory committee for the purpose of “suggesting solutions for the problems and needs of higher education and maintaining liaison with the general assembly and the governing boards” for the public institutions (six members of the general assembly, one representative each of the faculty and students, and up to five additional members representing education or other groups selected by the Commission).

Clearly, the CCHE is a strong coordinating board. The General Assembly has made its expectations in this respect quite apparent. Certain aspects of the Colorado statutory approach, however, may feed impressions of omnipotence that in the event may not be exact. The Colorado legislature, for example, appears to handle issues of contemporary immediacy as statutory directives. Other state legislatures do this through budget notes or study resolutions, directives that normally would not be included in state revised codes. The statutory nature of the Colorado General Assembly’s directives seems to extend to them a force and effect that may be greater than that, say, of a study resolution, and by placing them in permanent law, there may be an impression of agency power that in fact is inflated by their cumulative nature. The converse of this, of course, is the unmistakable message that the CCHE has the backing of the legislature as it pursues these charges. Still, it is possible that this practice underlies much of the ambient anxiety about the centralization of power in Colorado.

With the partial exception of the statutory language applying to the state board for community colleges and occupational education,³⁴ the references to the CCHE are quite different from the expectations implicit in the language that applies to the various system and institutional governing boards’ authority.

Using the Colorado State University System governing board (The State Board of Agriculture) as an example, the general provisions describe its membership, its status as a corporate body, etc., but these do not reflect state higher education interests in anything approaching the detail and scope that applies to the CCHE. They do not involve a role as a policy board, and they are more empowering than directive. Taken together, they can be likened to the charter and bylaws of a corporate board of directors.³⁵

The SBA has taken partial exception to this view. In its October 16, 2000 response to the draft report, the Board noted that “although this [the statement above] may be true as to general policies affecting higher education, it minimizes the scope of power actually vested in the SBA with respect to the institutions it governs.” The Board cited the discretionary powers it has to deal with a wide range of institutional properties and operations. Essentially, it has plenary powers to run the University system. It also pointed out that the statutes require CCHE consultation with the Board in such matters as roles and missions.³⁶ The two perspectives, accordingly, are essentially the same.

The constitutional statement on the University of Colorado, in laconic fashion, is even more to the point: “There shall be nine regents of the university of Colorado who shall be elected in the manner prescribed by law for terms of six years each. Said regents shall constitute a body corporate to be known by the name and style of ‘The Regents of the University of Colorado’. The board of regents shall select from among its members a chairman who shall conduct the meetings of the board and a vice-chairman who shall assume the duties of the chairman in case of his absence.”³⁷ The Regents are responsible by statute (but not directly by Constitution) for governing the CU system.

Article VIII, Section 5 of the Constitution declares as state institutions of higher education “the universi-

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ty at Boulder, Colorado Springs, and Denver; the university at Fort Collins; the school of Mines at Golden; and such other institutions of higher education as now exist or may hereafter be established by law if they are designated by law as state institutions.” It also refers to certain aspects of the Regents’ authority as it notes that the establishment, management, and elimination of state institutions of higher education are subject to the control of the state, “except that the regents of the University at Boulder, Colorado Springs, and Denver,” may operate the schools of medicine, dentistry, nursing, and pharmacy, along with other health programs and facilities in Denver. According to one of the annotations, the main effect of this section of the Constitution is to permanently fix the locations of these institutions.

The Constitutional reference to the “regents of the University at Boulder, Colorado Springs, and Denver” implies the shape of the system that is within their purview. This reference would require attention and, probably, amendment if the system were to be changed. The constitutional references to the components of the system, however, are no more direct or extensive than these.

The section continues by extending authority to the boards for the general supervision of their respective state institutions, “and the exclusive control of all funds of and appropriations to their respects institutions, unless otherwise provided by law.” This constitutional reference also affects the nature of the state governance system and explains certain procedures, e.g., the budget system. It obviously allows for the existence of a coordinating board while placing some limits on its authority, and it probably would have to be changed were consideration to be given to consolidation into one statewide system.

The state interest also surfaces in the statutory establishment provisions of various individual institutions, as in the case of Colorado State University: “There is hereby established a university at Fort Collins to be known as Colorado State University. [It] shall be a comprehensive graduate research university with high admission standards offering a comprehensive array of undergraduate programs consistent with the tradition of land grant universities. The Colorado commission on higher education shall, after consultation with the state board of agriculture, further define the role and mission of the institution and establish as great a distinction among the graduate offerings at the Boulder campus of university of Colorado, Colorado state university, and the university of northern Colorado as is in its judgment educationally, geographically, and economically appropriate. The governing board shall adhere to this further definition of role and mission. Colorado state university has the responsibility to provide on a statewide basis, utilizing when possible and appropriate the faculty and facilities of other educational institutions, those graduate programs designated by the commission as primarily its statewide responsibility. The commission shall include in its funding recommendations a level of general fund support for those programs.”³⁸

The legislative declarations applying to the State Board for Community Colleges and Occupational Education are somewhat different, in some ways closer to those of the CCHE. The SBCCOE, a governing board, also is considered a policy board. It is the only governing board in Colorado higher education that is both. Essentially, it is responsible for the establishment of statewide vocational education policy “for all of the entities which provide that education and shall coordinate all aspects of vocational education in the state to assure quality programming and efficient delivery of such education” [23-60-102]. As the community college governing board, it also is responsible for the state system and for assuring a system of two-year program delivery throughout the state, including coordination with the local district (“standalone) colleges. The statute requires local councils for each college to advise the board on college operations from a local perspective.

The most important part of the narrative is that the General Assembly in Colorado has reserved final authority over higher education to itself and has chosen to expressly delegate some of this responsibility to the CCHE. Functionally speaking, both by Constitutional reference and by statutory authority, the various governing boards are boards of directors with plenum authority for running their respective systems and institutions, but they do not have an abundantly articulated role with respect to public higher education policy formulation.

C. The Costs of Governance in Colorado

The Department of Higher Education's RFP also called for an analysis of "the administrative/operations costs of the current system and governance structure." The absence of a comprehensive cost data system for Colorado public higher education proved to be a complicating factor in the effort to comply with this assignment, as it had been for the CCHE in its Year One Report. In CCHE costs study, the researchers deduced that "No conclusions about relative costs could be drawn at that time because of the great variances between data elements," and it recommended that:

"The General Assembly should consider directing all governing boards and systems to implement a single common system of data collection and auditing to address the question of actual costs in a meaningful manner."

According to the CCHE, differences in definitions among the accounting practices of the various systems, and variances in the way boards addressed specific costs, rendered meaningful conclusions impossible.

Because of this, a special survey of institutional finance officers was conducted as part of the governance study. The survey elicited new data that accorded with the definitions established agreed upon for the purpose. The resultant numbers, which appear below, are based on those definitions, but it is clear that further work in the cost area is needed. The principal recommendation to come out of the effort, therefore, is that reliable cost information is essential if policy makers are to accurately evaluate structural arrangements and evaluate options; thus, the CCHE recommendation calling for implementation of a common system of data collection is reinforced by the experiences of this study, as such a system is clearly necessary if the public is to have accurate and reliable data on higher education cost patterns.

The subject at issue is a general cost data system or MIS. It should be understood, however, that even that may not be sufficiently precise to provide regular and reliable data on governance costs, as distinct from more general administration costs. This is because of the need to distinguish between costs associated with operating the system office, which is a large part of the governance cost, on the one hand, and the costs associated with higher education administration for the system or institution in general, on the other. Unless a cost model is sufficiently sensitive to allow distinctions at this level of detail, special surveys of the type employed in this study may continue to be needed to elicit such information. It is important to stress that we are talking about the level of detail. Cost models of great complexity and comprehension are possible, of course, but the gains in the detailed information obtainable through them may not be worth the effort involved in establishing and maintaining them. The appropriate level of detail for Colorado needs to be determined, but even a fairly general common data collection system will provide a much better place to start than exists at present.

1. Definitions

The 1999 CCHE report on governance costs reviewed actual costs and cost trends on an FTE student basis. The study focused on the six governing boards with responsibility for public institutions in Colorado. Local district colleges were excluded, and the paper drew on expenditure data from several sources, including state reporting systems and the federal Integrated Postsecondary Education Data System (IPEDS). In addition, a number of individual sets of data provided further information:

- CCCOES Administrative Salaries for FY 2000
- State Colleges Administrative Salaries for FY 2000
- University of Colorado Administrative Salaries for FY 2000
- State Board of Agriculture Administrative Salaries for FY 2000
- Local District Administrative Salaries for FY 2000
- Governing Board Administrative Salaries for FY 2000 (a compilation of the above tables)

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The CCHE report estimated that FY99 Governing Board and Central Administration costs totaled about \$10.5 Million. Costs associated directly or exclusively with governance, however, could not be refined from this total, largely because of definitional problems.

Higher education cost studies typically distinguish two broad areas of cost: academic program activities and nonacademic activities. Generally, each of these realms is divided into several administrative domains. In its report, the CCHE employed calculations of "Institutional Support," which is the standard category for administrative costs associated with the governing board, the chief executive office, the chief financial and business office, purchasing, community relations, insurance administration, administrative computing, and the like.

The report also sorted some expenditure data into functional categories under "services provided by governing boards," such as Policy Development and Direction, Executive Management, Legal Counsel and Services, Internal Audit, Computing/ Technology Services, External Relations, Governmental Relations, etc.

As a final step, the researchers calculated Total Central Administration, Governing Board, System Services, and Institutional Support expenditures per FTE (Full-Time Equivalent) student. In doing so, the report made adjustments for "chargebacks" (services provided by the central administration to the colleges, the costs for which are charged to the college) and Indirect Cost Recovery (an amount calculated according to a U.S. government formula that recognizes that the administration of federal grants imposes a considerable "indirect" cost on institutions and systems). So, in the CCHE report, Total Institutional Support Costs, adjusted for Indirect Cost Recovery revenues, were divided by the total Full-time-equivalent students in each system to derive a "Cost per FTES," for administration.

The CCHE's findings with respect to administrative expenditures are shown on the following table:

TABLE ONE

Total Central Administration, Governing Board, System Services, and Institutional Support Costs Per FTES — Adjusted for Federal ICRS

(Includes UCHSC)

FY 1999

Governing Board	Brd. & Central Admin. Costs	Total Inst. Support Costs	ICR Adjusted Total Support Costs	Costs Per FTES
CU Regents	\$2,161,604	\$58,453,306	\$45,380,908	\$1,231
SBA	\$1,956,748	\$29,401,186	\$27,035,627	\$959
SBCCOE	\$5,015,652	\$30,499,116	\$30,393,641	\$877
State Colleges	\$1,208,516	\$18,139,834	\$18,016,193	\$859
UNC	\$118,416	\$8,251,963	\$8,202,451	\$827
School of Mines	\$29,490	\$6,843,269	\$6,186,315	\$1,903
System Totals	\$10,490,426	\$151,588,674	\$135,215,135	\$1,109 Avg.

Source: "Administrative Cost," Chapter 2, Colorado Higher Education 2000, p. 4. The CSM FTES figure is obviously a function of economy of scale.

The administrative costs of a statewide system office may be expected to be, on average, higher than those of individual campuses because of the wider range of responsibilities at the one level than at the other.

The Colorado Commission's report concluded that "the determination of the actual cost of central administration and system services provided by the governing boards and systems required a good deal more analysis than legislators or staff of the CCHE initially contemplated" because of "great variances between data elements" and in the area of chargebacks. The researchers stressed differences in organizational structures and noted the fact that "the way each system identifies, quantifies and charges institutions for central services differs dramatically. On behalf of the researchers, it should be noted that the cost and time necessary to correct these defects would be considerable Ñpossibly prohibitive.

2. The Year 2000 Survey of Governance Costs

Higher education expenditure data are not routinely collected in Colorado in such a way as to produce a measure of the costs of "governance." It is possible, however, to identify expenses associated with governing boards through selective surveys. Such a survey was conducted as part of the present report using expenditure definitions agreed upon by the finance officers responsible for governing board relations. The costs that were used include the following expenditure items and calculations:

1. All direct costs (expenditures) of each governing board;
2. The expenditures of any divisions or administrative entities which report directly to the Board or are "supervised" by the Board.
3. The salary and benefits amount for each executive officer and any of their staff who deal with the governing board on a regular basis. The total of these salaries and benefits for each administrator would be multiplied by an estimated percentage of their total time spent in relating to the board.
4. A percentage of the total operations expenditures of each administrative entity which consists of administrators who relate routinely to the board. This percentage would equal 40% of that administrative time which is assumed to be related to Board activities.

The finance officers of the major governing boards in Colorado provided expenditure data on the direct costs of board operations (compensation, meeting expenses, per diem, etc.) and an estimate of the costs of "indirect" board expenses (administrative time necessary to prepare for board meetings and committees, responding to board inquiries, working on special projects from the board, etc.) according to the above assumptions. Table Two summarizes the results of this survey.

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TABLE TWO

Estimated Costs of Governance in Colorado 1999-2000

	<u>Direct Board Costs</u>	<u>Indirect Board Costs</u>	<u>Total Board Costs</u>
Auraria Higher Education Center	\$2,500	\$24,016	\$26,516
SBCCOE	\$68,327	\$528,079	\$596,406
State Colleges	\$16,800	\$363,687	\$380,487
UNC	\$103,676	\$0	\$103,676
CSM	\$1,614	\$30,270	\$31,884
SBA	\$51,000	\$240,137	\$291,137
CU Regents	\$528,328	\$399,619	\$927,947
Totals	\$772,245	\$1,585,808	\$2,358,053

Source: Finance officers of the governing boards listed above. Summary information on governing board costs and indirect costs provided to NORED on 9/1/00. Detailed information provided for each administrative position and estimates of operations provided on 9/26/00.

The costs of a governing board are a function of:

1. The frequency of governing board meetings;
2. The size of the governing board and whether members receive compensation;
3. The amount of time and expenditures required by administrators to support governing board deliberations and mandates.

The costs of system administration are directly related to the centralization of administrative functions: the fewer functions performed by the system, the less the “cost” of system administration. The point may have been alluded to indirectly in one of the key findings of the CCHE report: “Increased costs of governing boards and increased centralization of systems did not result in stabilized or reduced administrative costs for institutions.” Hence, the cost issue does not seem to hinge on the matter of ‘structural’ centralization; rather, on the matter of ‘functional’ centralization.

The costs of governance in Colorado, estimated at \$2,358,053 for FY 1999 by the finance officers, do not appear out of line with similar systems in other states. But, again, these are estimated figures based on one recent survey using definitions agreed upon for the purpose. The difficulties associated with compiling numbers for this single category of effort, or function, probably are representative of the difficulties that must be attendant to any effort to determine the comparative costs of Colorado’s higher education systems and institutions.

Attention turns now to another aspect of the assignment described in the DHE’s RFP — the matter of institutional roles and missions.

D. Institutional Roles and Missions

Colorado institutions of higher education are classified in any of a variety of ways. One is by type and purpose in general accord with the efforts inaugurated by the Carnegie Commission a number of years ago. These are now in the process of being revised. The Commission categorized accreditable institutions into five main types and several sub-types: Doctoral-Granting Institutions Research I & II; Doctoral-Granting I & II); Comprehensive Universities and Colleges (I & II); Liberal Arts Colleges (I & II); Two-Year Colleges and Institutions; and Specialized Institutions.

The Academy of Educational Development (AED) also devised a classification system. AED’s typology is roughly similar the Carnegie Commission’s. Here there are seven classifications: Leading Research/Doctoral-Granting Institutions; Other Research/Doctoral-Granting Institutions; Comprehensive Colleges and Universities; General Baccalaureate Colleges; Two-Year Colleges; and Separate Specialized Professional Schools.

Earlier this year, in an effort to broaden the focus beyond research institutions and to discourage the use of its taxonomy as a way to rank institutions, the Carnegie Commission revisited its institutional classifications. The new system employs six general categories: Doctorate-Granting Institutions; Masters (Comprehensive) Colleges and Universities; Baccalaureate Colleges; Associates Colleges; Specialized Institutions; and Tribal Colleges and Universities. As before, several are divided into sub-types (Doctoral/Research Universities — Extensive & Intensive; Master’s Comprehensive (I & II); Baccalaureate (Liberal Arts, General, Baccalaureate/Associate’s).

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For Colorado public institutions, the following classifications would apply:

Adams State College			MA I
Aims CC	AA		
Arapahoe CC	AA		
Colorado Mountain College	AA		
Colorado Northwestern CC	AA		
Colorado School of Mines			DR Int
Colorado State University			DR Ext
CC of Aurora	AA		
CC of Denver	AA		
Ft. Lewis College		BA LA	
Front Range CC	AA		
Lamar CC	AA		
Mesa State College		BA Gen	
Metro State College		BA Gen	
Morgan CC	AA		
Northeastern Junior College	AA		
Otero Junior College	AA		
Pikes Peak CC	AA		
Pueblo CC	AA		
Red Rocks CC	AA		
Trinidad State Junior College	AA		
UC — Boulder			DR Ext
UC — Colorado Springs		MA I	
UC — Denver			DR Int
UC HSC			Med
U of Northern Colorado			DR Int39
U of Southern Colorado		MA I	
Western State College		BA LA	

One fairly obvious shortcoming of this classification scheme is its emphasis on program assignments. By virtue of this, it adds substance to at least one common criticism of Colorado higher education among people who live there: there are only two institutions outside of the Metro/I-25 Corridor region, Alamosa and Mesa, that offer masters programs. All of the other institutions with indigenous graduate programs are in the Boulder, Adams, Jefferson, Larimer, El Paso, and Pueblo County area. Perceptions of inadequate service in the outback are fed accordingly.⁴⁰

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The institutional role and mission assignments in Colorado are placed in statute. They emphasize institutional type, admissions selectivity, and, to some extent, program differences. Briefly stated, they are these:

1. Two-Year institutions with open admissions requirements, charged to provide education programs to fill the occupational needs of youth and adults in technical and vocational fields, two-year transfer educational programs to qualify students for admission at the junior year at other colleges and universities, and a broad range of programs of personal and vocational education for adults.

*Aims Community College
Arapahoe Community College
Colorado Mountain College
Colorado Northwestern Community College
Community College of Aurora
Community College of Denver
Front Range Community College
Lamar Community College
Morgan Community College
Northeastern Junior College
Otero Junior College
Pikes Peak Community College
Pueblo Community College
Red Rocks Community College
Trinidad State Junior College*

2. General baccalaureate institutions with moderately selective admissions standards:

Adams State College (Adams has authority to offer "limited professional programs, Hispanic programs, undergraduate education degrees, masters level programs, and two-year transfer programs with a community college role and mission [in its service area] but shall not offer vocational education programs")

Ft. Lewis College (may offer selected undergraduate professional programs)

Western State College (limited number of professional, educational, and traditional arts and sciences programs)

3. General baccalaureate and polytechnic institution with moderately selective admissions standards

University of Southern Colorado (may offer a limited number of professional and engineering technology, education, and traditional liberal arts and sciences programs; may provide selective graduate programs compatible with its polytechnic mission in academic areas that uniquely serve southeastern Colorado)

4. General baccalaureate and specialized graduate institution with moderately selective admissions

Mesa State College (offer liberal arts and sciences programs and a limited number of professional, technical, and graduate programs; Mesa also is required to retain a community college role and mission, including vocational and technical programs, in its service area)

5. General baccalaureate and specialized graduate institution with selective admissions standards

University of Northern Colorado (UNC is the primary institution for undergraduate and graduate teacher education and is required to offer masters and doctoral programs primarily in the field of education; UNC has statewide responsibility to provide graduate level programs needed by professional educators and education administrators — NOTE: The requirement that CCHE estab-

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lish distinctions among university graduate offerings, cited below, applies to UNC as well as UCB and CSU)

6. Specialized baccalaureate and graduate research institution with high admissions standards

Colorado School of Mines (CSM has “a unique mission in energy, mineral, and material science and engineering and associated engineering and science fields. The school shall be the primary institution of higher education offering energy, mineral, and material science and mineral engineering degrees at both the graduate and undergraduate levels)

7. Specialized professional institution offering baccalaureate and graduate programs in health-related disciplines and professions

University of Colorado Health Sciences Center

8. Comprehensive baccalaureate institution with modified open admissions standards

Metropolitan State College of Denver (open admissions to students over age 20 years and non-traditional students; MSC is to offer a variety of liberal arts and science, technical, and educational programs, and a limited number of professional programs, but no graduate programs)

9. Comprehensive baccalaureate liberal arts and sciences institution with selective admissions standards

University of Colorado at Colorado Springs (selected professional programs and such graduate programs as will serve the needs of the Colorado Springs metropolitan area emphasizing professional programs not offered by other institutions)

10. Comprehensive baccalaureate liberal arts and sciences institution with high admissions standards

University of Colorado — Denver (provide selected professional programs and such graduate programs at the masters and doctoral levels that will serve the needs of the Denver metropolitan area, emphasizing professional programs not offered by other institutions)

11. Comprehensive graduate research university with high admissions standards offering a comprehensive array of undergraduate programs; the CCHE is charged to further define the role and mission and establish as great a distinction among the graduate programs of UCB, CSU, and UNC as is in its judgment educationally, geographically, and economically appropriate)

Colorado State University (CSU has authority to offer undergraduate programs consistent with the tradition of land-grant universities; CSU also has a statewide program responsibility in those graduate fields designated by the CCHE as primarily its statewide responsibility)

University of Colorado at Boulder (UCB has statewide responsibility for graduate programs designated by CCHE as within its statewide responsibility)

According to this arrangement, Colorado classifies its institutions into eleven different types, although some of the distinctions seem insignificant. Without much difficulty, one could readily reduce them to eight categories: Community Colleges; General Baccalaureates with (a) open admissions, (b) moderate admissions, (c) selective admissions, and (d) high admissions; General Baccalaureate and Graduate with selective admissions; Specialized Baccalaureate and Graduate with (a) high admissions, and (b) health-related programs; and Comprehensive Graduate Research University with high admissions.

If one factors into the equation the 20 percent “admissions standards window,” which allows an institution to make 20 percent of its freshmen admissions offers to candidates from outside its assigned standard, one also might surmise that if the admissions standard distinctions do not collapse entirely, they lose a considerable part of their capacity to distinguish. If we assume the former, Colorado’s types reduce to about five: Community Colleges, General Baccalaureate, General Baccalaureate and Graduate, Specialized Baccalaureate and Graduate, and Comprehensive Graduate Research. This reawakens the old Carnegie Commission classifications.

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A number of impressions can be formed from this role and mission structure. They include the following:

Community college missions are common for all fifteen institutions, regardless of whether they are system or standalone institutions, and regardless of the presence or absence of other institutions, and education needs, in their service areas.

The community college missions are stated in fairly conventional terms, open door, associate degree, liberal arts transfer, occupational and technical programs, and personal and vocational programs for adults. There is no direct reference, however, to a fairly significant community college responsibility in most states — Adult Basic Education. In Colorado, responsibility for ABE is assigned to the Department of Education.

Although community college missions are common for all of these institutions, three of them continue to operate with the title “junior college.” Since junior colleges typically are characterized as lower division liberal arts institutions, either the attribution of a comprehensive community college role to these institutions is inappropriate or the title of junior college is inappropriate to the mission and certainly inappropriate to the de facto role of regional higher education provider.

The assignment of some lower division degree responsibilities to some state colleges (Adams, which may offer lower-division transfer programs; and Mesa, which may offer both lower division academic and vocational programs) is either an artifact from a previous status or some early recognition of the potential of these institutions as regional higher education providers. We would like to think it is the latter, but we believe it is the former.

On the subject of artifacts, the reference to polytechnic in USC’s role appears to remain hopefully loyal to an idea that probably crashed on takeoff.

In some cases, e.g., UNC, the assignment of primary statewide responsibility as the institution with principal responsibility for programs for educators may be at one and the same time an obligation too great for one institution to fill and too confining in terms of its institutional aspirations.

Two institutions — CSM and UCHSC — have distinctive roles, but in at least in CSM’s case, there is ambiguity apparent in the recognition of its “unique” mission in energy, mineral, and material science and engineering and associated engineering and science fields, and its designation in the next sentence as the “primary” institution in these fields. “Unique,” of course, is an absolute (“of which there is only one; unequalled; having no like, equal, or parallel”).

CSM, which apparently wishes to expand its undergraduate curriculum into a broader array of academic areas may encounter impediments in its engineering and science field emphases, perhaps also to the detriment of students in these programs who may wish to take courses in the liberal arts or pursue an interdisciplinary program that combines technical and academic areas.

In the cases of UCB and CSU, and to some extent, CU-DENVER, the statutory assignment to CCHE to further define their graduate roles, does not appear to have been fulfilled in a comprehensive fashion.

The statutory assignments allow some latitude for individual institutions to identify and publicize more or less distinctive roles for themselves, but there is no apparent procedure for statewide review and approval, and, perhaps, role adaptation through this medium. Some of the frustrations that institutions and CCHE staff confront in the new and existing program review and approval processes may trace to that.

We are not sure when the statutes defining these roles were enacted, but we believe they date for the most part to the 1980s. In that sense, they represent much of the conventional wisdom about roles that prevailed at the time. In the 1980s, roles were usually discussed in terms of institutional types, program

authorizations, research emphases, and admissions standards.

Then the leading planning assumptions emphasized blocking mission drift and controlling costs by avoiding duplication. This was possible if one accepted the premise that program availability should be a function of degree level. The most accessible programs in terms of admissions and proximity would be those at the bottom of the ladder, mainly transfer programs at the associate level. As one advanced up the degree ladder, programs would be progressively regionalized and centralized. Stated differently, the higher the level on the degree ladder the program sought, the greater became the student's responsibility to move to the program.

This perception continues to apply to a considerable extent in Colorado, and it is reinforced by Colorado's general access policy, which, as summarized in a recent CCHE paper, "is interpreted to mean broad access to undergraduate degree programs, selective access to masters degree programs, and limited access to doctoral programs. The statutory role and mission of each institution further provides boundaries to differentiate institutions by the type and breadth of degree offerings."⁴¹

E. A New Perspective on Institutional Roles and Missions

Such a conception of roles and missions not only was popular in the 1980s, it made sense, especially given the widespread need for access to some opportunity to college and the limited available options for delivering program services. Inequities in program access and availability came with the territory, so to speak. If one were a 'place bound' resident of Boulder, Fort Collins, Denver, or Durango, for example, the program options were much broader than if one lived in Trinidad (Colorado). Also favored were the traditional college-age students whose mobility was unfettered by job and family requirements.

Conditions began to change because of a couple of things. One was the fact that community colleges did their job very well, and the number of people who had completed some college increased in rural areas. There now are a lot of people with some higher education who would like to have more.

The second condition began to form when state and higher education authorities focused on the relationship of higher education to economic growth. It would be only a matter of time before people in communities without a lot of higher education access and institutional presence began to realize that the access inequities were being compounded by inequities in the allocation of potential for economic development. Communities with institutions, and a well-educated workforce would possess intrinsic advantages, while those without them would not. People throughout the state, however, would be expected to continue to pay the same taxes.

Recognition of the inequitable distribution of access obviously is occurring. In its Year 1 Report to the Legislature, CCHE noted the following:

“. . . Four-year degree programs are not as readily accessible to residents in some areas of the state — particularly in the state's rural and mountain communities. A statewide analysis by [NCHEMS] indicates residents in these communities attend college and complete two-year programs at about the same rate as their counterparts across the state, but stop at that point. This correlate to the fact that convenient access to continue to pursue a four-year degree is limited in many of these communities.”⁴²

The problem is not limited to undergraduate programs. Actually, the situation with respect to the masters degree both exemplifies the problem and defines an area of emerging potential and importance. When one looks at the number of graduate students by Colorado county, it is clear that the enrollments align with the I-25/Denver metropolitan region. Any county outside of that region reports less than 50 students at the graduate level. Any county within that region ranges from 51 to upwards of 200 students. The two rural institutions with masters programs, Adams (14 percent graduate students) and Mesa (less

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than one percent) do not alter the pattern very much, probably because these institutions between them account for seven of the state's 250 on-campus masters programs (six at ASC and one at MSC).⁴³

The masters degree is at the center of the urban/rural access controversy in Colorado, and with good reason. Presently, about one-third of the country's 3,200 colleges and universities offer master's degree programs. At about 600 of these institutions, the master's is the highest degree offered. About 75 percent of all graduate and professional degrees awarded each year in the U.S., according to the Council of Graduate Schools, are master's degrees.

The numbers increase steadily. In 1960, 75,000 master's degrees were awarded. In the twenty years between 1971 and 1991, the number increased to 330,000 per year. In 1984, women caught up with the men with respect to their share, and their proportion of the total has continued to surpass that of males steadily since. The number of minority students in master's programs also has increased. According to the CGS, while the total number of students enrolled in master's programs increased 17 percent between 1980 and 1990, the graduate enrollment of minorities increased 30 percent.

Over half of the master's degrees awarded are in education and business, usually the least costly graduate programs available (the costs of programs in these fields are not much different from undergraduate program costs; this is certainly so in Colorado where funding allocation programs do not distinguish between undergraduate and graduate education.) The most dramatic increases by field of study in recent years have occurred in business, engineering, health sciences, humanities, and foreign languages.

Such figures demonstrate the popularity of the degree among American institutions of higher learning. The master's degree also is very popular among the clients of these institutions — the students and the organizations that employ them. In the words of the CGS policy report authors, "The master's degree is increasingly being used for career advancement and development of new skills for career changes. In recent years, the 'tremendous growth in the number of master's degrees awarded can be traced to the need for continued professional development.'"

According to a U.S. Department of Education-sponsored longitudinal study of students who received a bachelor's degree in academic year 1992-93,⁴⁴ eighty-five percent indicated that they planned to complete a graduate or first-professional degree.⁴⁵ Expectations among females were higher than males (87 percent versus 83 percent). Business and education continue to be the graduate program fields most commonly entered, with approximately 20 percent pursuing degrees in each. About 10-13 percent of non-MBA master's seekers enrolled in each of the aggregate fields of arts and humanities; social and behavioral sciences; business and management; and health sciences.

While the vast majority of the doctoral or first-professional degree program students, 94 percent, enroll full-time, the majority of master's students, 65 percent of MBA students and 59 percent of other master's program students, attend part-time. Most, 77 percent of the MBA, and 60 percent of the other master's program students attend on weeknights.

These and other such data demonstrate both the interest and the characteristics of the people who seek and need master's level education programs. At this point, one can only ponder the question of whether the share of baccalaureate recipients who actually pursue graduate studies would increase if more opportunities to do so were presented to them in a meaningful, accessible, and affordable way.

It is important to note that sometime after the Second World War, graduate level education in this country began to bifurcate into research-based programs, on the one hand, and practice-directed programs, on the other. This applies to programs at both the masters and doctoral levels. By far the greatest proportion of the growth in graduate education has occurred in the latter — practice oriented masters programs.

The interest and need for opportunities to pursue practice-oriented graduate programs are widespread

and dispersed, apparent among people who are employed, geographically and financially restricted by virtue of their employment and family obligations, who cannot remove themselves to a residential research university for the time required to complete a master's degree. Their needs are not limited to programs at the master's level, of course, but for upper-division programs leading to the baccalaureate degree as well as for educational opportunities that will be available in a geographic accessible manner that accommodates work schedules and other daytime requirements.

It would not be appropriate to leave this subject without reference to the Western Colorado Graduate Center [WCGC]. Founded four years ago, the WCGC has focused on bringing degrees and other programs to rural western Colorado. The emphasis has been on cohort programs suited to the transient needs for graduate education in rural communities. The WCGC, supported by Colorado's state colleges, has focused on coordinating efforts, bringing parties together to fulfill specific needs. Advocates insist that it "frees the state from establishing expensive full-time programs to meet cyclical and 'capricious' demands and populations."⁴⁶

F. Institutions as Regional Higher Education Providers

Colorado has an expressed interest in meeting the needs of such "place-bound" students. This is signified by the reference to access to higher education for residents of the state's rural areas in HB 99-1289 and by the CCHE's response to this reference in its Year 1 Report. Meeting these needs is certain to require adjustments in institutional and system missions. The traditional roles of regional institutions, in Colorado these are usually state colleges and community colleges, will need to change in keeping with a growing awareness of their importance as providers called upon to identify education needs, recruit and contract with other providers, manage community education centers, and serve as the local entities by and through which services are provided.

Thus, roles that traditionally derived from their institutional classification, e.g., "state college," and which usually comprise the functions that remain after all of the things they cannot do are removed, are conceived in negative terms. This will need to change to accommodate the things they must do if they are to acquire a viable role and become effective regional higher education providers.

Many states have devoted a lot of time and energy to controlling program duplication through new program approval and existing program review procedures that have general application, treating all new program proposals the same, regardless of field and content, and applying common productivity standards to all existing programs, regardless of their nature. Generally, it should be noted, the unique program qualities are brought out during the review processes, so at some point they usually are treated individually. Nevertheless, it would be difficult to argue that the application of fairly simple role and mission, program duplication, or program productivity standards is the most efficient way to manage costs and gain efficiency in higher education.

Others also are beginning to feel this way, and some early reactions to the use of simple taxonomies are beginning to form as people realize that such matters as higher education needs are more complex than that. Recently, for example, the State of Utah called upon Utah Valley Community College (UVCC) to extend its community college mission upward, into the upper-division level by assuming responsibility for a limited set of baccalaureate programs in four or five areas, one of which would articulate with its lower-division technical programs and lead to a Bachelor of Technology. UVCC would retain its popular community college mission by continuing to offer associate degrees in the full range of academic and technical programs required by residents of the region it served. Master's programs also would become available, but these would be offered on-site at UVCC by one or more of the existing public universities. The community college would retain both its "community" and its urban focus. Last year a similar mission adjustment was applied to Dixie [Community] College, located in St. George, in the southwestern corner of the state.

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Efforts to distinguish these institutions were represented by the admonitions placed upon them to avoid the conventional “full set” of baccalaureate programs implicitly expected of four-year institutions, and by the fact that they would have no intrinsic graduate programs, no Teaching Assistants, and faculty would concentrate on teaching both lower- and upper-division courses.

There was a time when such changes would have been treated as reflections of academic drift or mission creep. Occurrences are believed to have characterized American higher education. The passage from normal school to state teacher’s college to state college to comprehensive university virtually depicts the typical maturation of many American universities, although it is important to understand whether this evolution was propelled by service needs or by institutional aspirations.

At least at the extremes, it can be argued that academic drift has been controlled in most states. While many former state colleges are now called universities, instances of their continued evolution to research university and doctoral-granting status seem to have been checked. Much of the zeal for doctoral programs that fueled the aspirations of regional institutions during the 1970s seems to have faded (recent failed efforts to acquire doctoral degree-granting authority for California state colleges and universities, if nothing else, revealed the general resistance that such a quest can evoke.)

Not many regional universities have made the transition to research university status, and it is this step that clearly represents the most costly change in any pattern of institutional progression. Similarly, there are few recent instances of the unwarranted proliferation of such costly programs as Medicine, Dentistry, Law, or Engineering (i.e., these continue to be limited to research universities and, in some cases, private universities).

Although public higher education in this country can lay claim to a long line of traditions, it really is not very old, and it is not the product of conscious a priori planning reflective of strong philosophical sources. In fact, most of its present shape is new, a result of pragmatic changes that have occurred since the end of the Second World War (e.g., community colleges, regional universities as replacements for teachers colleges, off-campus centers, etc.)

The taxonomies that describe institutions also formed for the most part during the second half of the 20th century. On the eve of the 21st century, one can be uneasy about their continued congruence and the possibility that they subtly constrain the range of viable alternatives and options and responsiveness to legitimate service needs.

Certain paradoxical aspects of the American community college describe an important way in which educational needs are changing. They are limited to a Associate degree (a founding decision that may say more about inter-institutional politics than deeply embedded values) but some also operate as the central higher education provider for a region. A strong argument can be advanced for the presence of some baccalaureate programs in rural community colleges. The Utah approach is one way to provide them. We would probably be more comfortable with that solution had it not also brought with it new institutional titles: Utah Valley State College in the first instance, and Dixie State College in the second.

We would rather see rural colleges empowered and funded to broker programs by other providers on site through contractual arrangements. We also are open to the idea of some indigenous baccalaureate programs, provided by the qualified members of the community college’s faculty, but we think these should form in a manner that combines the institution’s lower division technical curriculum in particular fields (e.g., Range Management) with its liberal arts transfer curriculum, perhaps in an ‘inverted curriculum.’ Through such a combination of solutions, community colleges also could expand their capacities as regional providers.

We believe that one way to enhance the state colleges as regional providers involves recombining structures. This can be done by making the rural institutions part of a university system, with the objective of bringing to bear a wider range of system resources to rural communities through this arrangement. Both of Colorado’s university systems offer advantages. Because of the constitutional reference to the UC

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system, and our wish to avoid either opening the constitutional issue or creating status disparities within that system, and because of its rural tradition of the state's land grant institution, we consider the CSU system best suited for this purpose.

Colorado also needs to revisit its institutional mission assignments generally, at least for the rural institutions. Clues to mission differences between rural and urban institutions exist in the data on geographic origins of first-time students in Colorado institutions.⁴⁷ Broadly speaking, urban community and state colleges draw larger shares of their first timers from the local area than do rural institutions. For example, while more than 70 percent of Arapahoe Community College's first-time students reside in the four continuous counties of Arapahoe, Douglas, Jefferson, and Denver, all within the Denver metropolitan area, Colorado Northwestern Community College draws a comparable percentage of its first-time students from counties that comprise about one-fifth of the area of the state. Ninety-six percent of Colorado Mountain College's first-time students come from nine counties that account for about forty percent of the land area of the western region of the state. The far-western counties of Mesa, Montrose, Delta, Garfield, and Rio Blanco Counties account for almost 70 percent of Mesa State College's first-time students, while nearly 90 percent of Metro's first-timers emanate from the Denver metro counties of Jefferson, Denver, Arapahoe, and Adams.

Although they share similar Carnegie Commission and Colorado State classifications, these institutions must address substantially different mission demands. Some are truly "community higher education providers," while others are "regional higher education providers." Concerns about program duplication, undue inter-institutional competition, and resultant inefficiencies more closely fit situations that may be found in one setting than in the other. To apply the same proscriptive solutions to both, however, can only ensure service inequities.

This conception of regional providers does not apply to institutions and programs at the doctoral level, nor should it apply to relatively high cost research masters programs or professional masters programs of limited appeal and need. The service areas for these should continue to be state- or nationwide.

A major contention of this commentary is that the present popular range of choices is limited and no longer in alignment with the discernible higher educational needs Colorado is trying to meet. Colorado's higher education system is "type-bound" (research universities, teaching universities, two-year community colleges, etc.). The typology serves well in some cases (traditional students, highly effective research programs, vocational education) but poorly in others (place-bound, working adults). New conceptions of institutional types and forms are necessary, and these should fit the circumstances and needs of regions and communities they serve.

Coloradoans must ask why they organize their colleges as they do; why they limit program responsibilities to particular types of institutions without regard to the needs of the communities they serve, and why they let institutions located in distant places control the alternatives.

V. THE HIGHER EDUCATION GOVERNANCE SYSTEMS OF OTHER AMERICAN STATES

In HB 99-1289, the Legislature also called for a review of the higher education governance systems of other American states as part of the governance study. Because of the variety of forms that operate, it is hard to find a place to start. In general, conventional wisdom holds that three primary governance forms typify the structures that are used in this country: a single governing board with a statewide coordinating/planning body; multiple governing boards with a central coordinating body; and no central coordinating or governing board.

We begin with the observation that statewide higher education entities are a comparatively recent historical phenomenon. In a 1952 report prepared by the Council of State Governments, albeit dated by its title, *Higher Education in the Forty-Eight States*, the researchers drew attention to the need for some state-level coordinating or planning body when they argued that institutional governing boards are concerned “primarily and necessarily with the problems of the institutions under their jurisdiction. Only secondarily do they direct their attention to the over-all, state-wide problems relating to higher education. Other machinery, formal or in-formal, is needed for determination of these ‘middle-ground’ questions.” They went on to observe that the widespread use of various types of coordinating mechanisms were testimony to the need for statewide coordination. They then identified three extant forms: “(1) the informal, voluntary inter-institutional council composed of board or institutional officials; (2) the multi-institution board, which directly governs two or more separate institutions; (3) the formally established central coordinating board, created for the purpose of coordinating programs and activities carried on by institutions which operated under the immediate supervision of their respective direct governing boards.”⁴⁸

In a prescient series of findings (public demand for access will continue to mount; expenditures for higher education will continue to increase; public funds will continue to supply the major share of institutions’ income) the report concluded. “Close coordination of the programs and activities of state institutions of higher education is urgently needed in order that available resources and facilities may be utilized most effectively.”⁴⁹

Arrangements began to change with that. In 1971, Robert Berdahl was able to identify four types of statewide agencies: (1) States that had neither a single statutory coordinating agency nor a voluntary association performing a significant statewide coordinating function; (3) States that rely on voluntary coordination among the institutions with some degree of formality; (4) States that have a statutory statewide coordinating board; and states that have a single governing board.⁵⁰

Consolidations were implied about fifteen years later, when Lyman Glenny in his 1985 SHEEO paper, “State Coordination of Higher Education: The Modern Concept,” identified two broad categories of agencies:

“A single statewide governing board for all public colleges and universities (eliminating all of the individual institutional boards) and

“A coordinating board juxtaposed between the governor/legislature and the institutional governing boards that embraces all of higher education, public and private.”⁵¹

By the time of Glenny’s review, the voluntary arrangements had all but disappeared, and over the succeeding years, the generally accepted taxonomy settled on three main types of statewide agencies: consolidated governing boards, coordinating boards, and state higher education planning agencies.

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This rather straightforward classification may be sufficient for many interests, but once one ventures below this level of aggregation, matters become more complex. The Education Commission of the States' State Structures Handbook, for example, classifies states as "Consolidated Governing Board" states (24 states plus the District of Columbia and Puerto Rico); "Coordinating Board" states (24 states); and states with planning/service agencies but no other central board (Delaware and Michigan).⁵²

The two main forms (since ECS really identified only two planning agency states) — Governing Board states and Coordinating Board states — are organized into a number of subtypes. In the former case, Governing Board states, these generally operate under one or two state-level governing boards, and none of these Governing Board States except for Alaska has a strong statewide coordinating agency (e.g., a coordinating board with authoritative academic policy or budgetary authority). Nine of these states have a single governing board for all of higher education; fifteen have two boards, usually one of which is responsible for coordinating or governing the community and technical colleges. About thirty states have coordinating boards, although not all are "Coordinating Board States," per se, since some also have statewide governing boards.

According to ECS, the Governing Board States are:

Governing Board States

One Governing Board

Alaska
Hawaii
Idaho
Montana
Nevada
North Dakota
Rhode Island
South Dakota
Utah
DC
Puerto Rico

Two Governing Boards

Arizona
Florida
Georgia
Iowa
Kansas
Maine
Minnesota
Mississippi
New Hampshire
North Carolina
Oregon
Vermont
West Virginia
Wisconsin
Wyoming

States with coordinating boards are:

Coordinating Board States

Regulatory Boards⁵³

Alabama
Arkansas
Colorado
Connecticut
Colorado
Florida
Illinois
Indiana
Kentucky
Louisiana
Maryland
Massachusetts
Missouri
Nebraska
New Jersey
Ohio
Oklahoma
South Carolina
Tennessee
Texas
Virginia
Washington

Advisory Boards⁵⁴

Alaska
California
Delaware
Michigan
Minnesota
New Hampshire
New Mexico
Oregon
Vermont
DC
Puerto Rico

There is obvious overlap on these listings. Alaska, for example, is classified as both a statewide governing board and a coordinating board state, as are Minnesota, New Hampshire, Oregon, and Vermont. One also should note that most of these states also display distinctive qualities, as indicated by the large presence of footnotes denoting deviations on the ECS table.⁵⁵

In an effort to describe the different American governance forms schematically, ECS discerned six basic patterns:

- A. Consolidated Governing Board for All Public Institutions
- B. Consolidated Governing Board for All or Most Senior Institutions and a Separate Board/Agency for Community Colleges and/or Technical Institutions
- C. Same as B but with an Additional Planning Agency
- D. Mixed Single Institutional Boards and Multi-Campus/Segmental System Boards
- E. Segmental System Boards
- F. Single Institutional Governing Boards

Colorado's system fits best under "D," a mixed coordinating board system with single, multi-campus, and segmental system boards.

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Actually, rather than six basic forms, at least 11 are apparent. They are:

- a) *Consolidated Governing Board with One Board for All Institutions*
- b) *Consolidated Governing Board with One Board and a Statewide Coordinating or Planning Agency*
- c) *Consolidated Governing Board with Two Governing Boards*
- d) *Consolidated Governing Board with Two Governing Boards and a Statewide Coordinating or Planning Agency*
- e) *Coordinating Board with Regulatory (Program Approval) Authority and Consolidated or Aggregated Budget Authority*
- f) *Coordinating Board with Regulatory Authority and Budget Review and Recommendation Authority*
- g) *Coordinating Board with Regulatory Authority but no Authoritative Budgetary Role*
- h) *Coordinating Board with Advisory Authority and a Consolidated or Aggregated Budget Role*
- i) *Coordinating Board with Advisory Authority and a Budget Review or Recommendation Role*
- j) *Coordinating Board with Advisory Authority and No Authoritative Budget or Program Approval Role*
- k) *Service/Planning or Other Agency States*

Colorado fits closest to Category (e) on this listing. This suggests that if one were to consider all of the other extant options, as many as fourteen states would need to be examined. If all of the particular exceptions to the basic categories were taken into account (indicated by some eleven footnotes on the ECS table), perhaps another eleven would need to be added, for a total of about half the states.

It should be noted that these presumptions also beg the question of whether all possible types of feasible or efficacious arrangements are represented by these classifications. Obviously, all are not. Bonding authorities and corporate structures are not represented. Rather, the table simply comprises a snapshot of the organizational structures as they existed around 1997.

Other classification forms also have been discussed, lending substance to the view that governance entails more than just structure. Pat Callan, Richard Richardson, Joni Finney, and Kathy Bracco make the following point:

“Our purpose . . . is to propose a new and more powerful way of thinking about how the performance of state higher education systems is influenced by policy environments, system designs, and leadership. We do not see our task as an academic exercise. We hope, rather, that improved understanding of the way these variables interact with each other and ultimately influence performance will lead to informed public policy.”⁵⁶

These authors categorize governance structures for higher education systems as “segmented,” “unified,” or “federal.”⁵⁷ In their terms, in segmented systems, multiple governing boards are each responsible for one or more institutions, and there is no central state-level authority with comprehensive authority for all of higher education. In unified systems, a single governing board manages all public institutions. Federal systems have a statewide board responsible for collecting and distributing data, advising on the budget, planning programs from a statewide perspective, and encouraging articulation. Colorado’s would be a ‘federated’ system.

Some may consider these as other names for more familiar structures, but the authors are talking about

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structures and relationships. They note that the three array on a continuum ranging from segmented, through unified, to federal, with no clear line of demarcation between them. The seven states they studied arrayed on this same continuum in this order: Michigan, California, New York, and Florida (states with segmented systems), Georgia (a unified system state), and Texas and Illinois (federal system states).

Notably, there are some intrinsic problems with the comparative approach that can be avoided through thoughtful preparation. One of these is represented by the fact that no two state governing systems in the United States are the same. Whether one maintains that there are two, three, four, eleven, or fourteen or even more models will depend on which level of simplification is most comfortable.

For their part, the ECS authors also note that structural differences relate directly to differences in state policy cultures. Among these are legislative and executive branch roles. States vary on the extent to which the balance of power resides in the legislative or executive branches and the extent to which budgetary, administrative, and procedural responsibilities for higher education are delegated to the statewide agency. They also suggest that centralization and stability relate to the extent there exist regional (rural/urban) imbalances. The role of the private higher education sector also is a consideration.

States with long traditions of public higher education sector dominance tend to treat colleges and universities more as public agencies than as independent corporations. Consolidated governing boards tend to operate most effectively in states with comparatively lower total higher education enrollments (< 100,000). Coordinating board states, by contrast, tend to have large enrollments and complex multi-sector systems. The last variable mentioned is leadership quality. The leadership qualities of board members, statewide agency directors, and institutional leaders change. These, quite aside from formal authority, can define the effectiveness of a statewide board.

These observations certainly apply to Colorado's situation. Colorado delegates considerable budgetary, administrative, and procedural authority to the CCHE. Regional differences are great, and the overall structure is relatively centralized and regulatory. Private higher education in Colorado comprises a small policy domain, and colleges and universities tend to be treated more as public agencies than as independent corporations. Colorado's student enrollment is about 140,000, both qualifying it for and explaining its complex governance system, in contrast with states with consolidated governing boards. Finally, individual leadership styles do make a great difference in Colorado, as the project team was reminded at every site visit.

In fact, because each form has devolved from the civic and political cultures of individual states in response to the particular demographic, fiscal, and other conditions that exist in that state, there are really fifty-plus models. More important, this fact suggests that any solutions will have to fit the special situation of Colorado. An interstate comparative analysis can inform the process leading to the selection, and that is how this analysis is intended, but one should not assume that another model can simply be grafted onto Colorado and that it will work. It is instructive, however, to consider some of the special features to be found in this plethora of systems.

Starting with the legal basis for the governance system, Colorado follows the pattern of most states in that responsibilities are distributed by statute. In Alaska, Georgia, Louisiana, Michigan, Mississippi, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Pennsylvania, and South Dakota the source is Constitutional. In Colorado of course, the University of Colorado is Constitutionally vested, but statewide administrative, budgetary, and procedural authority derives from the Colorado Revised Statutes.

Colorado is one of a small number of states in which the chief executive is appointed by the Governor. In most other states, this appointment is in the province of the board. The governor appoints the members of the board, who in turn appoint the CEO, who serves at the pleasure of the Board. In some cases, e.g., Illinois and Washington, the governor appoints the board members, who serve staggered terms in accord

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with statute, usually with Senate confirmation, and the governor separately appoints the chair of the board, who serves at the governor's pleasure, usually tendering a resignation when a new governor is sworn into office. In New Jersey, the board elects the chair, but the governor has the power of removal. The executive director of the Office of Student Assistance is appointed by the governor.

Other states in which higher education CEOs are appointed by the Governor include Delaware (Delaware Community and Technical Colleges), Iowa (Head of the State Board of Education), Maryland (Governor appoints from a list of three submitted by the Board), New Hampshire (Department of Postsecondary Technical Education), and Pennsylvania (both the heads of the State Board of Education and the Council on Higher Education).

The object of these linkages is to gain policy consistency between the administration and higher education. In Colorado, the head of the Department of Higher Education, a cabinet post appointed by the Governor, is ex-officio the Executive Director of the CCHE. Until this change was enacted by the Legislature about six years ago, the CCHE director was appointed by the board. This feature of the Colorado system exhibits paradoxical qualities, showing how some expectations of statewide agencies can be mutually contradictory. The arrangement sustains impressions that state-level governance in Colorado is susceptible to politicization, thereby avoiding coordinating board purposes in this regard. But it also injects an element of change into the process.

The obvious challenge is to keep the two in balance — managing the political interest through responsive reporting and progress while protecting the feature that brings the greater potential for change and adaptation into the process. If one is carrying a ton of canaries in a half-ton truck, there is something to be said for stopping every couple of miles and pounding on the side of the truck with a board to get half of them into the air.

At the institutional governing board level, while most are appointed boards in Colorado, the state has some that are elected. Elected higher education boards are comparatively rare, although examples can be found. Alabama's State Board of Education, which has multi-campus authority, is elected (the institutional boards are appointed). So are those in Florida and Kansas. This is the case with one member of Idaho's State Board of Education (which also is a K-12/higher education board). Michigan's State Board of Education is elected, as are the Governors, Regents, and Trustees, respectively, of Wayne State, University of Michigan, and Michigan State. The Community College Board in Mississippi is elected, as are the Board of Regents of the University of Nebraska. Nevada's State Board of Regents is elected. Finally, one member of the Board of Trustees of Lincoln University in Pennsylvania is elected.

In the case of locally elected boards for community colleges, like Colorado, Arkansas also has some boards that are appointed and others that are elected. Nebraska's technical community college boards are elected. This also is the case in New Mexico. Nevertheless, the appointment process is certainly the most popular method employed in this country.

The important functional differences among statewide boards are pretty much represented in the distinctions noted earlier (i.e., budget review, program authority, planning authority, etc.) and on the list of governance purposes that appears in an earlier chapter.

There are a few distinctions that might be noted with respect to the Collaborative dimension of governance. Most states employ arrangements for advisory purposes and inter-sector communications. Colorado employs a CCHE statutory advisory committee. Often such organizations exist in an informal (i.e., non-statutory) capacity. The list that follows is selective and composed of organizations that are of the more formal variety.

Councils of presidents comprise one example of an arrangement with an ostensibly collaborative purpose. States with advisory councils of presidents include: Alabama, Arkansas, Kentucky, Missouri, New Jersey, South Carolina, Washington, and West Virginia.

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Inter-Institutional relations committees, particularly in the credit transfer arena, also are important. Some of the states with inter-college relations councils, some of which are charged with the task of continuous monitoring of the credit transfer issue, include California, Missouri, New Mexico, Ohio, Virginia, and Washington.

Such lists of the formal structural, functional, and some of the collaborative distinctions among states could reach book size proportions, as indeed they have. These can be pretty dry, and they may be suited more to the needs of academic researchers than policy makers. Each state will and should devise and be responsible for its own higher education governance arrangement.

Aside from some actions Colorado might consider to enhance intra-system communications and mutual understanding, and thereby improve performance on the Collaborative dimension, there are no structural changes based on other states' arrangements that we are prepared to offer at this time. There are, however, some things to be learned from other states with respect to the Adaptive dimension, particularly from their experiences with decentralization and deregulation. It is to a discussion of these that the next chapter of this report is devoted.

VI. COLLABORATION AND ADAPTATION IN HIGHER EDUCATION GOVERNANCE

A. Decentralization and Deregulation

To a considerable extent, people at all levels in Colorado subscribe to a view that the state maintains a regulatory relationship with its colleges and universities. Thus, to fully understand notions of decentralization, it is necessary to have some sense of the presence of its opposite, centralization, in Colorado.

The findings of an NCHEMS report on Colorado prepared in 1994 for ECS are important to the present study in a number of ways, not the least of which is the documentation provided to the effect that the nature of centralization and regulation that operates in the state is not something that recently formed, nor is it unique to the present setting. It is important to note that this assessment applied to extant conditions in Colorado some five years before the present Commission board, CEO, and much of the membership of the legislature came on board.

NCHEMS described the policy setting for higher education in Colorado as “strongly affected by a widely-shared ‘populist’ approach to state government that combines a commitment to broad access with a strong concern with efficiency,” complicated by extreme regional differences and corresponding efforts to balance the respective regional interests.⁵⁸ This results in state policies that contain something for everybody, with centralized approaches that obscure substantive institutional and agency differences and a control-oriented relationship between institutions and the state agency that is focused on entitlement protection and assurances that public funds are spent as intended.

The writers identified the broad attributes of the Colorado policy environment as the following:

- “Policies that are designed principally to prevent bad things from happening rather than enabling good things to happen.” The prevailing attitude is that without close control, public purposes will be ignored and dollars will be wasted. This leads to a management style that is out of touch with the broad direction-setting and decentralized management advocated in the nineties.
- “Policies that actively punish institutions” and impose greater accountability such as through state mandates.
- “Policies created to prevent a particular behavior from occurring again,” such as proscriptions on granting sabbaticals to administrators.
- “Policies that emphasize checking institutional decisions and plans,” which reflect a mutual lack of trust between higher education and state officials.
- “Policies that treat state colleges and universities simply as state agencies,” subject to all the procedures of state personnel systems, limitations that prohibit unfair business competition, and require compliance reports and other measures.
- “Policies that define the role of the state coordinating board as a ‘regulator’ of institutional behavior rather than a ‘vision creator’ or facilitator.” When organizations operate either as advocates or watchdogs, none takes a broad view of the needs and purposes of higher education in the state. The result is lack of coordination of initiatives, few opportunities for open forums, and the absence of a widely accepted higher education agenda. Moreover,

policies tend to be reactive to specific issues rather than proactive; they are developed incrementally, and there exists no overall framework for these once they are developed.

- “Policies that are driven primarily by fiscal rather than academic considerations,” and there is little linkage between academic planning and budgeting at any level of the system.
- “Policies (particularly policy implementation) that are not well matched with campus-level operational realities,” a result of relatively little substantive dialogue about policy intent between legislative/board staff and the campuses. A lack of prior campus backgrounds on the part of the former leads to a “one-size-fits all approach,” little sensitivity to the need to provide a rationale for policy and actively seek institutional advice during policy implementation, and little appreciation of the need to discontinue policies when they have achieved their stated purposes.”

The report also criticized a series of specific procedures. For example, the Colorado Commission on Higher Education’s program approval process was seen as “slow, cumbersome, and operating at too high a level of detail,” minority graduation requirements were seen as unrealistic and overly-prescriptive, and personnel policies were considered ill-adapted to higher education.

The report recommended a policy agenda for the future that would in effect move the state in the direction of decentralization. The components were:

- Reorienting the CCHE from its role of ensuring institutional compliance to one that emphasizes educational policy leadership, the definition of needs and strategic planning, and clarification of the respective roles of this board and the institutional governing boards.
- Explicit recognition and accommodation of the distinctive needs of the state’s diverse geographic regions.
- More attention to issues that link higher education with other sectors, e.g., K-12 and the business community.
- Re-examination of the funding formula to provide incentives to institutions commensurate with statewide ends.
- Provision of “addition-to-base” incentive funds to encourage institutional innovations in good practice that are consistent with state priorities, effective undergraduate education training, and active minority retention and graduation programs.
- Removal of restrictions on outside contracting and entrepreneurship.
- Commencement of concerted efforts by policymakers to determine purposes and priorities to be addressed by the state’s system of higher education.

In an odd way, the fact that this assessment retains its accuracy speaks to the matter of change, or better to the absence thereof. As goals, however, these are no less important now than they were then.

This is an opinion shared by others. Expressions of interest in aspects of decentralization, deregulation, or privatization were encountered continuously during our work in Colorado. These occurred in conversations with legislators, board members, institutional administrators, statewide agency staffs, and students, faculty, and residents of the communities the institutions served. Sometimes they were as reactions to perceptions of top down management from the state level; sometimes they were directed at the multi-campus boards; sometimes they were offered as examples of events occurring in the corporate sector that seemed to be working and which should be tried by government.

Examples of how deregulation might take place in Colorado’s higher education system were more dif-

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fuse. References to higher education vouchers were frequent. Occasional references to charter institutions also were expressed. Equally diffuse were the ideas on how to get there from here. One legislator, for example, noting the state's history of central control, suggested that irony was resplendent in the possibility that decentralization in Colorado might have to be imposed in a top down manner.

If the “what” and “how” are still somewhat unclear, belief that something devolutionary needs to happen in Colorado higher education is omnipresent. It also is not limited to Colorado. “Decentralization” is an increasingly familiar concept as state legislators and governors consider their relations with colleges and universities. Some insist that the interest in deregulation in higher education is a relatively recent occurrence, triggered by efforts initiated at the federal level in the 1980s, with special attention to higher education stimulated by changes implemented in New Jersey. Others see it as a subject that has been of interest to governments for at least the past 100 years.⁵⁹

It is a movement that cries out for greater definition, and it is not limited to higher education. Toni Larson has noted that it is variously described as ‘privatization, decentralization, devolution, deregulation, or becoming autonomous or independent.’ Larson defines ‘privatization’ as the total transfer of assets and authority to the private for-profit or non-profit sector; ‘Deregulation’ is defined as the lessening of regulatory provisions that govern individuals, entities, and systems; and ‘Decentralization’ involves the shifting of authority downward to the local level. In her view, governmental decentralization is exemplified in many ways:

“Contracting with the private sector to purchase a service, abandoning or shedding of services, divesting of assets, establishing quasi-public organizations, establishing profit or non-profit corporations, supplying temporary help on the part of the private sector, issuing vouchers, selling or giving away government owned assets, establishing franchises, leasing, subsidizing, or making available grants to the public sector, discontinuing assets to public entities, providing joint funding, establishing public-private partnerships, setting up consumer processes, and using volunteers. In each case, the amount of control by the government ranges from some to none at all. As institutions become less controlled, they are described as government or public corporations, enterprises, or authorities.”⁶⁰

In higher education, the emphasis is clearly on the deregulation component. Examples of privatization are rare, although references to this option are becoming more frequent as states grapple with the difficulties of meeting the needs of entitlement programs and managing constrained resources.

Although we are not aware of any studies to this effect, it also has been noted by many others that centralization and decentralization imperatives operate in a cyclical pattern in relation to resource patterns: when money is tight, states extend greater process autonomy to institutions; when funding is more plentiful, they take it back by imposing stronger procedural requirements.⁶¹

Massachusetts, New Jersey, Illinois, Maryland, and Virginia are often considered examples of states in which decentralization, or deregulation is occurring. There are others, although a considerable amount of relativity is present. During the 1992 legislative session in Washington State, for example, a statute (HB 1509) was enacted to exempt institutions from several purchasing, printing, and construction requirements, i.e., extend to them a greater degree of procedural autonomy. Specifically, institutions still must comply with statutes concerning minority and women's business enterprises, personal service contracts, employee expenses, leases and competitive bidding, but they may employ independent systems for compliance within the established limits rather than going through state agencies. The legislation also authorized them to deposit operating fees (“tuition”) into local accounts which were not subject to legislative appropriation. Similarly, bargaining units within institutions were empowered to leave the civil service system, and several new categories of personnel were statutorily exempted from civil service (e.g., certain managerial and professional employees).

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Michigan has long been considered a state that maintains a *laissez faire* relationship with its institutions of higher education, albeit a long history based on the constitutional status of the state's largest universities, the University of Michigan, Michigan State, and Wayne State, and the relative absence of legislative involvement in higher education matters. Richardson and company place Michigan at the "provider" end of their spectrum, as a state in which the legislature "supports institutions usually with across the board increases and few restrictions on how the money is spent."⁶² Michigan also has no statewide coordinating board, although the State Board of Education has responsibility for planning and coordinating educational policies outside the context of the constitutional authority of the institutions that have it.

Illinois is viewed as an example in which the state serves as a 'steerer' of institutional behavior, largely through the coordinating board, which "provides credible and timely information on system needs and system performance to elected officials, to institutions, and to the public [and] use program approval and program review authority to limit duplication and encourage quality."⁶³

Because both states typify entities with comparatively long histories of coordinated relationships or institutional autonomy, they may not serve as the most informative examples of present decentralizing trends. This may be particularly so with Michigan, since it never embarked on a deliberate policy of deregulation. On this point, Berdahl and MacTaggart note that: "Because of its long history of autonomy, Michigan provides less guidance on the process of deregulation than on the capacities necessary to sustain a diverse, high-quality collection of institutions in a competitive environment."⁶⁴

The state that is mentioned most frequently in conversations about decentralization is New Jersey, as it was this state that for all intents and purposes moved decentralization from discussion to reality. Before the 1994 change, the coordinating board in New Jersey was classified as a strong regulatory board, in that among other things the state's Board of Higher Education/Department of Higher Education had authority for salary and personnel policies for the institutions.⁶⁵ New Jersey's changes were based on a proposal to restructure the state's higher education system that was issued by Governor Whitman shortly after her election in November, 1994. The Governor's proposal featured decentralizing governance responsibility from the state to the individual institution boards, eliminating the BHE and DHE, and maintaining the state's commitment to higher education access, affordability, and accountability.

Contrary to popular impressions, while the BHE/DHE, previously staffed by nearly 300 people, was eliminated, it was replaced by a Commission on Higher Education, with a staff of about 20. And while a Presidents' Council composed of the president of each state-supported institution serves as a voluntary coordinating body with advisory authority, the Presidents' Council is not the statewide planning agency. Responsibilities for student financial aid, which accounts for most of the staff of the erstwhile BHE/DHE, were transferred to a new office of Student Assistance located in the Department of the Treasury.

The Commission on Higher Education has statewide higher education planning responsibilities, final authority on new programs that are outside institutional missions, budget review authority, including a consolidated budget proposal, and responsibility for working with the Board of Education to ensure articulation and collaboration between the two sectors. The Commission also is to be an advocate for higher education. The Presidents' Council makes policy recommendations to the Commission, reviews and makes recommendations to the Commission on programs that alter institutional missions or require substantial additional resources or raise serious questions of duplication, and prepares an overall budget policy statement for the Commission and the governor and legislature.

According to McGuiness, while the Governor's outline made more explicit the delegation of responsibility and authority to local governing boards and assigned responsibility for statewide coordination and program approval to the Presidents' Council, among other things, not all of this carried through to the eventual legislation. The original emphasis on decentralization and increased board authority was

retained, but planning and program approval authority was not vested in a presidents' council. Rather, a large regulatory department was replaced with a much smaller commission, similar in size, role, and membership to coordinating boards in other states. The Presidents' Council was made advisory and charged to promote voluntary coordination among institutions.⁶⁶ In this sense, the New Jersey changes may have had more effect on the Collaboration dimension than on the Functional.

The other exemplary decentralization states, Massachusetts, Maryland, and Virginia, tend to be singled out more for their attention to one particular type of deregulation than for their more general functional and structural forms. These initiatives fall into the category of charter universities, although other terms are employed. This is an idea that brings considerable potential to Colorado's situation and needs, and a separate section is devoted to it.

B. Charter Colleges and Universities

Few doubt that the period between the end of the Second World War and the 1980s comprised an era of enormous growth in American higher education. Before the War, and for a decade or two after, most institutions of higher education operated with comparative autonomy, governed by their own independent boards. This was the time when state appropriations were 'left on the stump,' to be picked up by the institution and expended in the manner its board and administrators thought most appropriate.

Slowly, things began to change. The detail at this point is well known and need not be repeated here, but the 1960s and 70s were decades of central board creation and the progressive centralization of higher education policy in most states. Berdahl and MacTaggart characterized this period as one in which "American higher education is widely recognized for trying to achieve both quality and equality to a degree not realized elsewhere. But it also is a story of unnecessary regulation, excessive oversight, and barriers to higher quality."⁶⁷

This was not the result of a grand design. Rather, it was the product of a long process of change that in many ways took the form of disjointed incrementalism. It was a process that was intermittently motivated by efforts to "manage the rapid growth in academic programs, student enrollment, and facilities; consolidate or at least orchestrate budget requests in state legislatures; resolve conflicts among institutions and regions of the state someplace other than in the halls of the statehouse; provide a central source of information and responses to requests for information and compliance reports to legislative committees and state regulatory agencies; address demands for improved consumer service in such areas as transfer of credits, more complete information to facilitate student choices, and the quality of learning results; achieve some economies of scale and consistency through consolidated services such as capital planning, purchasing, legal services, human resources, computing, and facilities management; negotiate and administer master contracts with increasing numbers of faculty and other employee groups represented by unions; and deliver greater accountability in the disbursement of federal and state [student] financial aid moneys."⁶⁸

The needs for these management initiatives did not form simultaneously. Thus, it is likewise a result of this cumulative pattern of need and response that underlies most calls for other solutions. The patterns of intermittent and incremental change and adjustment can continue, but it is difficult to see how anything will be any different without decisive intervention. The charter college concept has emerged as one intervention strategy, and it can best be understood in the regulatory context in which it appeared. It involves new relationships, and it is decidedly not a return to the status quo ante.

A recent article in *The Chronicle of Higher Education* summarized events with respect to charter colleges and universities in typically succinct terms: "Officials in Massachusetts, Virginia, and other states are discussing proposals to largely free public colleges of state regulation and allow them to experiment with new academic and tuition policies, in exchange for meeting their performance goals."⁶⁹

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Massachusetts merits mention because it is the state in which the idea was first popularly articulated. The year was 1997, and the prolocutor was Stanley Koplik, then Chancellor of the Board of Higher Education. It relates in some measure to the state's extensive K-12 deregulation efforts, particularly the granting of relative independence to designated schools, charter schools, from state and district regulations and collective bargaining agreements.

Koplik used the term 'Massachusetts Vanguard College' to differentiate charter higher education institutions from charter schools in that state. His proposal exempted institutions from certain existing state Board of Education (Massachusetts' higher education board) policies such as new program approval, growth substitution policies, and program productivity standards, and extended to them complete financial and managerial flexibility with respect to state purchasing regulations. Vanguard Colleges also would have authority to set their own tuition and fees and retain tuition at the institution and would be relieved from such requirements as workman's compensation and Department of Personnel oversight. They would receive an annual operating grant for campus operations and be relieved from burdensome reporting requirements. They also would have authority to set salaries for faculty.

The *quid pro quos* included an agreement to increase faculty productivity; a commitment to exceed state student retention, time to degree, and graduation rate performance benchmarks; documentation that graduates exceeded achievement standards in key outcome areas (think critically, solve complex problems, work collaboratively); demonstration that the performance of graduates exceeded expectations; replacement of faculty tenure with faculty contracts; and elimination of collective bargaining. Only institutions that could demonstrate achievement of all Board of Higher Education standards and meet a couple of other application requirements could qualify.

Koplik's proposal did not make it out of the starting gate, probably because of the tenure and collective bargaining abolition features, although last year the governor of Massachusetts expressed support for the idea, resurrecting it there.

The crucial components of an effective charter institution plan, according to Berdahl and MacTaggart, are: first, a high quality institutional board of trustees that is willing and able to accept fiduciary responsibilities when the state exempts the institution from specified procedural controls.⁷⁰ Second, in exchange for lump sum appropriations capped at a mutually agreed upon amount, plus inflation and enrollment growth and freedom from specified procedural controls on how funds are spent, the institution agrees that within its charter period (e.g., five years), it will provide more efficient and effective higher education services. Within the charter period, any substantial drop in enrollment also would lead to reduction in the block grant. Third, during the charter period the state board would retain authority over the institution's basic role and mission and the introduction of new programs compatible with that mission (although the coordinating board also could defer new program authority within its mission to the institution, reserving its approval authority for high cost programs and other programs that do not fit within the mission). Fourth, the coordinating board and the institution would agree on the performance measures that would be reported and used to evaluate fulfillment of the charter agreement. Fifth, freedom from procedural requirements would extend to such matters as purchasing, staffing, privately-funded capital construction, although state fire, health, safety, auditing, and other vital requirements would continue to apply.

The charter institution plan is relatively new. St. Mary's College in Maryland is the best example of an operating charter college. Virginia offers the best example of a state in the process of testing the charter institution idea as a matter of policy. In February, 2000, the Governor's Commission on Higher Education in that state recommended the development of institutional performance agreements (IPAs) as means to providing institutions with multi-year funding commitments and greater managerial freedom. Each IPA is to serve as a long-term strategic plan for the institution, tying tax support to strategic planning and accountability measures for academic quality and operational efficiency. The Virginia General

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Assembly endorsed the concept in the appropriations act. The Secretary of Education was directed to recommend the institutions to be considered for the IPA program.

In August, 2000, the Governor and the Secretary of Education determined that five institutions are ready to develop agreements — George Mason University (a large regional university), Norfolk State University and Virginia State University (historically Black colleges), Virginia Commonwealth University (a large urban university with a medical school), and the University of Virginia (the state's flagship institution). Draft IPAs are to be prepared and submitted for review by the Legislature. The object is to allow the members of the legislature to review actual agreements before signing on.

For his part, Governor Gilmore appointed a special task force to address the missions and needs of NSU and VSU. The Secretary of Education will take the lead in developing IPAs for the other institutions. A related goal is to proceed through a collaborative process that involves the state board, the Legislature, and the institutions.⁷¹

The important features of the Virginia program are represented in its allegiance to the basic charter institutions' concept, its recognition that the charter agreement must represent a thoughtful and serious effort; that the process of institutional choice must be selective; that time is needed for development; that shifting to a charter institution base should not be done for all institutions at once or by fiat; that the process must be collaborative throughout, especially during the initial phase; and that it can apply to different types of institutions. Should the initial trial phase meet expectations, the IPA arrangement would be expected to be extended over time to other institutions and permanently change the state's relationships with its higher education institutions in a mutually accommodating setting of accountability.

For any number of reasons, the charter institution idea holds great potential for Colorado. We believe that a number of institutions are promising candidates for such designation and that such a program, carefully designed and implemented, holds great promise for changing the governance relationships that have formed and for planting the seeds of harmonious change and adaptation in Colorado. Thus, we have recommended that Colorado pursue the idea through the Colorado Compact Institutions Program.

We turn now to the next and concluding section of this report, in which we attempt to summarize the opinions of many Colorado residents as they were expressed in the extensive series of meetings that were held throughout the state. Strong support for change and adaptation characterized these encounters, and many additional ideas about different strategies and solutions were offered at these sessions.

VII. RESIDENT VIEWS OF HIGHER EDUCATION GOVERNANCE IN COLORADO

Approximately sixty large and small group meetings and a number of interviews with individuals were conducted throughout Colorado during June, July, and early August, 2000. Although seven public meetings were required by the RFP, ten were held. These occurred in Greeley, Sterling, Pueblo, Colorado Springs, Alamosa, Grand Junction, Denver (two public meetings), and Fort Collins. Some six hundred people attended, and many used the opportunity to express their views.

Meetings were held with representatives of all 28 institutions, including presidents and administrators and faculty members and students. Conversations occurred with virtually every governing board CEO and institutional president or chancellor, some more than once. Meetings were held with each of the institutional and system governing boards, including the Board of Directors of the Auraria Center.

The regional public meetings usually were organized as forums or symposiums on higher education issues. The meetings with board members and institutional representatives were usually held in an institutional conference or classroom, around a table. Assurances of anonymity were extended, and all in attendance were promised that comments would not be attributed to them. Participants were encouraged to express themselves freely, and most of those who spoke took the opportunity to do so.

Additional conversations with individuals were arranged by telephone, and others chose to provide written comments by mail or electronically by e-mail. These contacts provided opportunities to inform us about what is happening in Colorado, occasions for generating ideas about promising alternatives, and for people to learn a little more about the nature and direction of the study.

The exchanges were consistently interesting and informative. Initially, however, the recurrence of some apparent contradictions was perplexing. Expressions of support for the existing governance structure, for example, conflicted with charges of centralization and over-regulation. Comments that governance was not the issue were at odds with allegations that the legislature or the CCHE were pursuing political or control agendas, or that some system boards did not understand their appropriate scope of responsibility. Hints of interest in system secession were heard. indications of distrust were pervasive and palpable. If such signs and perceptions were so apparent to so many, why did so many also insist that governance was not an issue?

The answer is that the effectiveness or the workings of the present system were not the uppermost concerns for most people. Rather, the mere fact that a study of governance was in progress inspired uneasiness that it might result in a call for a single higher education board — a Super Board. The specter of such a result fueled movement into a defensive circle around the existing arrangements. If all of these were not perfect, they were at least the devil that was known.

Because of this, it soon proved helpful to open each meeting with a few words about a single governing board. The fact that a single university system had been unsuccessfully proposed in a 1985 Colorado higher education study, and the observation that none of the team members were predisposed to such boards anyway, usually turned the direction of the discussion away from that prospect. Once the shadow of a super board passed, people began to speak more candidly about their uncertainties with the existing governance structure and the fact that indeed there were some problems became apparent. Meetings with

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institutional boards and staffs often centered on their perceptions of the nature or role of their particular institution or system and how other participants in the governance system — the legislature, the CCHE, the four-year institutions, e.g., when they refused to accept student credits, etc. — impeded their efforts to accomplish their own missions. These themes also recurred frequently at the regional meetings, usually along with a lot of community support for the hometown institution.

This is not to say that there is or would be reflexive receptiveness to any changes short of a super board. Many expressed uncertainties about the benefits of virtually any form of restructuring. While a number of complaints and suggestions were heard about particular state higher education policies, the Quality Indicator System [QIS], and state contract approval requirements, among others, proposals for fundamental reorganization or restructuring were notably few. Many often reduced to issues of funding. Participants especially displayed frustration with the actual or potential higher education funding constraints associated with the TABOR Amendment. This probably is *the* higher education issue in Colorado. It would be easy to form the probably erroneous opinion that with sufficient funding, people would support almost any governance arrangement.

Without disparaging the very real uncertainties engendered by TABOR, the insufficient funding scenario is omnipresent in American higher education. If Howard Bowen's "Resource Theory of Costs" is valid (the costs of higher education will rise to the level of the resources available), there can never be enough money. Hence, governance always will be relevant, since a primary role is to make decisions about the allocation of scarce resources. As the logical residual focus of discontentment about funding, no higher education governance system is likely to prove perfect.

One observation was inescapable. While some friction between local views and the actions of particular system governing boards was in evidence, most of the tension over governance involves the CCHE and the General Assembly. Certainly some of this relates to different organizational cultures. Academicians, politicians, and public agency personnel operate in distinct professional worlds. While the languages they speak may not be entirely different, they are close to different dialects. Their needs, schedules, and perspectives are almost never the same, as they approach, observe, and attack problems differently.

By nature, coordinating boards are located between the governmental and academic communities; they operate at the cultural interface. In Colorado the coordinating board is statutorily designated as the Legislature's emissary with respect to higher education (e.g., CRS 23-1-101 states, "The ultimate authority and responsibility [for higher education policy] is expressly reserved to the general assembly, and it is the duty of the Colorado commission on higher education to implement the policies of the general assembly.")

At least some of the negative comments directed to the CCHE at the meetings were reflections of these cultural differences. This view was reinforced by the impressions offered by previous CCHE directors during interviews with them. Indeed, tensions between the institutions and the coordinating board in Colorado are the norm rather than the exception. The present CCHE configuration had been in place less than two years at the time of the meetings. Both the statutory mission of the CCHE and almost all of the policy structure predated it. Yet, most of the acrimony was directed at the present CCHE.

Ironically, in spite of a lot of references to CCHE at the meetings, calls for its elimination were virtually nonexistent. The CCHE may be the focus of discontent about governance in Colorado, but the general perception is that a state coordinating board is an essential element in the governance equation, and it is infinitely more preferable than the alternative.

We concluded that uncertainties about governance do exist in Colorado, and they cluster around a few generalities. The following are some of these. They are noted here because of the frequency of occurrence.

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- **Considerable support for the structural status quo:** Coloradoans are positive about higher education in their state, including the governance system; thus, they tend to be wary of change. But there is little knowledge about the character of the processes of governance or who is responsible for what beyond the level of their own institution. Problems tend to be described in general, usually *ad hominem*, terms.
- **Widespread perceptions of over-regulation and micro-management:** People believe there is too much top-down governance and not enough local empowerment; they also insist that there is no clear identification of priorities and goals from the state.
- **Uncertainties about the role and growing importance of the CCHE:** Institutional representatives usually, although certainly not always, displayed considerable support for the system of which their institution was a part, but support for the present relationships did not extend much beyond that. The CCHE often emblemized the governance structure, and opinions about it are strong and widespread; related to this, people also insist that arrangements for bottom-up communications — advisory structures, opportunities to have their views represented, are either insufficient or ineffective.
- **Intra-system tensions:** For the most part these tend to reside in the CSU and the State College systems. There also was some flak aimed at CCOES. They usually took the form of criticism of boards located in Denver or on main-campuses that do not understand the complexities of higher education service delivery in the field.
- **Inter-system difficulties:** These usually centered on community college — four-year institution transfer problems; transfer of credit problems are still widely believed to exist in Colorado higher education, and all parties seem to be stalemated about next steps.
- **Perceptions of higher education inefficiencies:** Perhaps expectedly, these tend to emanate from sources outside of the administrative systems, e.g., parents, students, legislators and some people from the corporate sectors. They center on such matters as loss of credit during transfer, time to degree problems, etc.
- **Inefficiencies resulting from over-centralized management:** In this case the complaints tend to emanate from the institutions in the form of protests about heavy reporting requirements, too much emphasis on accountability, insufficient funding, etc. As noted, the CCHE was often the target.
- **Widespread interest in experiments in decentralization:** Those centered on changes in relationships within the existing structure. As noted, calls for changes in structure, per se, were less common
- **The TABOR Amendment:** People are perplexed about funding, especially the full implications of the TABOR Amendment. Related perplexities involve the threshold for the Enterprise Exemption, which some felt was unrealistically defined.
- **Inter-regional perspectives:** This occurred as residents of rural areas spoke of imbalances in service availability while residents of the more populated areas insisted that small institutions were draining disproportionate shares of limited resources away from the population centers. Access concerns were strong, especially in the regions outside the I-25 Corridor; perceptions of disparities in service levels between Front Range and rural areas are strong.
- **Other access concerns:** The shape of the tuition or pricing structure was especially apparent among people in the community colleges. Many argued these rates were both too high and too close to the price of attendance at four-year institutions.

Many other interests were expressed, but these were the central issues related to governance. A few words about each follow. The purpose here is to provide a sense of what was heard during the site

visits. The approach is far more qualitative than quantitative, and it is important to retain a sense of proportion when reading these summaries. Some comments represent opinions heard from one or two people. Others represent views encountered at virtually every meeting. Thus, while they help to shape the findings and recommendations of the study, they are not conclusive in themselves. The questions appearing after each section heading are from the list that was made available in advance of the meetings.

A. In general, many believe that the system is working

- What are the strengths and weaknesses of the present system?
- How well does the system reconcile institutional and general public interests?
- How adaptable to Colorado's changing social and economic environments is its higher education governance system?
- Is Colorado's higher education governance structure too complex? Does Colorado have too many governance entities? Too few?

Coloradoans insist that the higher education system is working reasonably well, at least there are no Chernobyls. For most, the governance issue is not the central issue. At least there is no sense of urgency. Occasionally this was expressed in references to the familiar admonition, "If it isn't broken, don't fix it." (We also were told, "If it isn't broken, don't break it.") One legislator reported that governance has some problems, but people in his district were not bent out of shape over it. He said he is much more concerned about doing things efficiently within the existing system. An administrator also insisted that although the system is not broken, he would not create it this way if given a clean sheet of paper. The question for him was, How can it be improved?

We heard that Colorado's is a complex system, but this is not necessarily a bad thing. The system also is the product of a long history, and there may be good reasons for the shape that has formed. We were admonished not to presuppose that anything is wrong. Continuing this theme, others noted that the system was not developed out of some prior vision of a essential model of governance. It is really more the result of a long series of compromises.

This does not mean, however, that people feel it cannot be improved. In the words of one legislator, the pivotal question was not whether the system was working, "Any system can be made to work. Rather, it is, what can we do to make it better? If we were starting from the ground up, we would not have the system we have now. So why should we feel we must keep it?"

As an operating principle, we were encouraged to think of Colorado as a single social entity, a place where everyone should be entitled to pursue a higher education as close to home as they desired. Not all residents or localities are the same, so all should not have to accept educational opportunity in the same way and the same place. There is a perception of a Front Range draw, but not everyone should be required to be educated in the center of the state. Moreover, while efficiency is important, it is not the only value. People should have the choice to go far for their education or to stay at home. Presently citizens in some localities do not have that choice.

One speaker noted that everyone has his or her own idea about how higher education should be run, including those in higher education. Higher education has become a whipping boy, a sector that is viewed as both costly and inefficient. Others insisted that the problems are really within each system and not at the top. It would be difficult to get a handle on them — it is a lot of little things.

Occasionally people commented on different aspects of the governance system. The relative merits of elected boards, such as the CU Board of Regents versus appointed boards was a subject that occurred

with some frequency. One observer noted that either type was likely to be political, but he personally felt that an appointed board was more accountable, since the members of such a board would not want to do anything that would embarrass the governor. Others argued that an elected board was more accountable since members had to stand for election directly before their constituents.

A few called for fairly dramatic changes in the structure. A Pueblo resident, for example, espoused systemic reorganization that would result in a highly selective Colorado University System (CSM, CSU-Ft. Lewis, UCB, UCCS, CU-DENVER, and UCHSC); a moderately selective Colorado Teacher Education University System (MSU, UNC, and USC) that would be responsible for ensuring statewide access to teacher education programs at all degree levels; a selective Colorado College System (ASC, Ft. Lewis College, Metro, a Metro-South Denver, and WSC) that would offer only baccalaureate degrees; and a Community College System (composed of all present institutions and community college initiatives at Lowry). His model was designed to address what he believes are inequities in access to graduate education experienced by residents of southern Colorado.

On other aspects of governance, considerable support for a return to separate institutional governing boards was encountered throughout Colorado. Some presidents intimated that they would prefer working with an institutional board rather than through a system; favorable references to UNC and CSM's structures usually occurred in that context. One legislator felt that separate boards in a coordinating board system would be the only ultimate solution to Colorado's governance woes, although in this person's view, the constitutional status of the UC system made this impractical.

B. Many believe higher education is over-regulated, and governance proceeds in a top-down fashion

- To what extent is the emphasis of the system on centralized control and regulation? To what extent is decentralized management an imperative?
- Is the system over- or under-regulated? In what respects?
- Does the governance system contribute to a consistent set of expectations for institutions? Does it preclude or militate against such consistency?
- Are the roles and missions of the higher education governance entities adequately defined and differentiated?
- Do the roles and missions of the various components contribute to fragmentation in higher education leadership within the state; among sectors; between the two- and four-year systems?

Many feel the regulatory atmosphere is a relatively recent phenomenon. One administrator believed that during the 1970s and 80s, when funding was tighter, there were tradeoffs — institutions were given greater budget flexibility in return for smaller funding increases.

Not everyone considered matters this philosophically. One legislator, for example, insisted that the people of Colorado are not getting much value for the money spent on higher education, although this varies from institution to institution. He also argued that the system is not accountable, either to students or to taxpayers.

Impressions of pendular patterns in institutional relations with the state are hard to avoid. One legislator surmised that the direction of the swing will correspond with the extent to which the institutions consider the CCHE a higher education advocate or a regulator. We spoke with some of CCHE's previous directors, each of whom recalled that relationships had been tense. The institutional perspective on the importance of an advocate is likely to be exactly the opposite of the governmental view. A period of sustained

advocacy, accordingly, is likely to lead in reactive fashion to more direct and intensive legislative involvement in higher education matters than would occur if the legislature and governor believed that the institutions and the CCHE were appropriately fulfilling their roles. Favorable reminiscences based on the recent past, therefore, may carry an element of irony.

One must note that views of the top-down model tended not to apply as extensively in the community college system. Rather, several people in both state and separately governed community colleges reported that that system had 'jelled.' While there were some controls, the system seemed to be operating well. Several at institutions that had recently joined the state system spoke of a number of benefits, including central purchasing benefits (at the same time, others lamented this particular feature, arguing that as community-based institutions, they should be able to contribute directly to the local economy through some freedom to purchase locally).

Comments about over-regulation were not limited to higher education governance. One president stated that Colorado has an overwhelming bureaucracy that goes well beyond the CCHE. Others agreed. An individual, for example, lamented the amount of time it takes to get a contract approved. It used to take 2-3 weeks; now it requires 6-7 weeks. This can get in the way of rapid responses to needs of industry for customized programs. By the time the contract gets through the maze of approvals, the firm has either lost interest or found another provider. When this happens, the approval authority has diminished the institution's capacity to fulfill its mission.

Some problems are the results of constitutional requirements. Several college administrators complained about the effects of the constitutionally-based personnel system (generally involving classified employees) on their operations.

C. Concerns about centralization tend to focus on the CCHE

- Coordinating boards are generally expected to provide information, analysis, and advice on higher education to the political decision makers in the state; is this basic role recognized and appreciated in Colorado?
- Does the present coordinating board system contribute to or mitigate the politicization of higher education in Colorado?
- An emerging role for coordinating boards involves responsibilities in employing state higher education resources in strategies to improve the state's economy and the quality of life for citizens; is this role recognized and appreciated in Colorado? How well is it being exercised?
- In terms of continuity in planning and decision making, do the present arrangements contribute to or militate against attention to and persistence in the pursuit of strategic issues?
- Is the coordinating board considered objective and fair in the exercise of its responsibilities?
- How is the CCHE perceived by its respective client groups (the Governor, Legislature, institutions, etc.)?
- To what extent is system effectiveness a function of personal leadership in Colorado? What are the most appropriate leadership qualities? Do the organizational cultures value, promote, and reward such qualities?

As noted, concerns about CCHE usually started with the lament that higher education does not have an advocate in Denver. But, again, few were willing to exchange what exists for a higher education super board, advocate or no.

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While CCHE was usually treated as the ‘smoking gun,’ some were less sure. One legislator, for example, noted that “For the first time in a long time, CCHE is a center of tough, honest, innovative thinking people.” We encountered some of this out in the field as well. Some presidents reported getting along fine with CCHE staff. One said that this was because the institution concentrated on building a level of trust. And because of this they are usually able to get the clarification or accommodation they need. Still another reported that the agency director had made access for students a priority and was working for a system that was open and affordable. In this president’s words, “He [the CCHE director] has turned higher education upside down and shaken all of the loose coins out of their pockets.”

We frequently heard the comment that CCHE micro-manages. One example that came up was that because of CCHE, the state does not reimburse institutions for courses delivered at industrial sites but it would for courses on campus or delivered via distance education media. We assume that the distinction rested less on the site of the course than on whether it was open to the public or limited to a particular clientele. This distinction, however, was not the one most widely perceived. Rather, the requirement was viewed as an impediment to institutional responsiveness to industrial community needs.

Other frequently heard charges were that CCHE has become a political animal; that the organization has become dysfunctional and can only maintain the status quo in a politically correct way; that it has more than shifted from an advocacy agency, it has shifted from a coordinating to a controlling board. In a related view, higher education in Colorado, we were told by one regent, has become a regulated utility characterized by inflexibility and inertia.

The belief that CCHE’s role has changed dramatically over the past year and a half is widespread.⁷² According to this view, the agency now considers itself a regulatory agency. To the extent that advocacy was a stronger value under the previous director, this perception may be accurate, as far as it goes. Some, however, questioned whether anything was really new. The prevalent role of CCHE usually has been as more of an agency of the state than a representative of the institutions. Belief that major changes were afoot fueled suspicions of hidden agendas and political ambitions.

We heard complaints of recent staff turnovers at CCHE, resulting in new people who did not yet know what they are doing and burdens of a continuous flow of data requests. Some institutional administrators insisted that it was necessary to hire additional research staff to comply with the HB 99-1289 Year 1 data requests and the reporting requirements of QIS. Others spoke of time lost to CCHE review and approval requirements and fluctuating definitions that required iterative data collection efforts. Others saw this as more of a spiking effect created by intermittent legislative requests for new or different information.

One administrator said that he felt it was important to develop good relations with CCHE, but it would help if they were not to feel that they, the institutions, were being treated as the enemy. In his view, there needs to be more time and opportunities for mutual discussions. Presently people view CCHE staff as auditors and policemen when they should be seen as helpers. In this official’s view, the process for measuring performance should be open, consultative, and collaborative. Presently there is a lack of trust — “They don’t trust us, and we don’t trust them.”

We also heard comments that many of the CCHE regulations were developed at an earlier time when conditions were different. Program duplication rules, for example, seem to presume that students are mobile. The typical student at many institutions, however, is often employed and seeking further education for career advancement. These people, many of whom are classroom teachers, cannot easily relocate to a distant program. At Mesa, for example, we heard that continuing education and master’s program opportunities for teachers were the greatest unmet higher education needs in the region. People there also reported that their capstone MBA program had exceeded all of their projections, reinforcing perceptions of significant unmet needs in the region.

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The sub-optimal college going rate in Colorado also is considered an issue. Many believe that participation is a function of supply. If programs are provided at times and places that fit the needs and work schedules of students, they will come. According to this view, access disparities feed sub-optimal participation rates. Mesa people cite the success of their “Mesa at Night” program as an example of how this can be changed.

Many called for a structure that will allow institutions to become what they are capable of becoming — that will let the market drive their program inventory, allow them to keep what is of value and provide what the market will bear. In this view, the state should not look at all programs as the same; rather, institutions should be able to respond quickly to local needs.

A related complaint was that CCHE only discusses new degree program proposals twice a year (although, according to CCHE staff, this was changed because the institutions and their Commission members preferred to do it this way.) People insisted that the institutions should be allowed to bring program proposals forward when they are ready. Administrators at several institutions also do not care for the CCHE’s resultingly lengthy program review and approval process. In one case, they said that if allowed to do so, their institution would assume the risk of adding new programs by not going to the state for additional funding. If the program did not measure up to expectations, it would necessarily be terminated as an unacceptable drain on institutional resources.

Others felt that the system encourages institutions to protect their deadwood. An administrator noted that a decision to drop a program usually leads to rounds of applause, but in order to add a new program, an institution must go through the eye of the needle. It creates problems for institutions attempting to make timely shifts. Sometimes they keep marginal programs out of fear that if they give them up, they will not be able to replace them with something new. After a little probing, this person also acknowledged that there are other reasons why institutions keep marginal programs, and state-level review procedures actually can help administrators deal with these.

Sometimes the program approval issue provokes local community passions. The CCHE decision not to approve a masters of computer engineering program in Colorado Springs created a strong local reaction, and much of the regional meeting was taken up by it. We also heard, although not only at Colorado Springs, that the business community is uncertain about what is going on at the state level in higher education, and this adversely affects an institution’s ability to raise funds. Interestingly, at one meeting we heard strong complaints about a program termination decision that was made by CCHE a decade or so ago.

We listened to charges that the performance indicators — QIS — do not recognize and reward the distinctive role of the research university. This appears to be the case, although it may be a consequence of the program, which by statute is designed to measure performance at the undergraduate level. This does, however, feed impressions that public policy in Colorado values only undergraduate education. Thus, although only in a relative sense, the QIS seemed to be more widely accepted in the community colleges than in the graduate institutions. One administrator told us, for example, that “The accountability effort has been well-launched through CCHE, but it has a long way to go.”

Still others complained of the absence of a strategic perspective — “People are not thinking more than five years out.” According to this view, there are no statewide projections of needs, for example, for educated and trained individuals. In the words of one university administrator, “CCHE is at its best when it sets policy. It crosses the line when it describes how each institution must respond to the policy.” He argued that CCHE needs to allow the different systems to respond in more flexible ways.

A legislator tried to put matters in perspective with the observation that CCHE- bashing comes with the territory. The institutions always will be on the other side. Certainly this fits some of our experience as observers and participants in other states. Nonetheless, the intensity and frequency of this sentiment in

Colorado is unusual. It may reflect the character of legislative involvement in higher education. This takes a particular form, probably more intensive than in other states, especially when it displays reactivity to particular problems that arise from time to time. The cyclical or pendular patterns referred to elsewhere in this report may be traceable to that.

D. Some intra-system tensions also were encountered

- Are aspects of the governance system driving needless administrative or operational costs? If so, what are these?
- Is unwanted layering, duplication, or overlap a feature of the present system?
- Are the information systems optimal? Can the costs of administration associated with governance be readily and accurately identified?

Some who expressed opinions about the CSU system argued that the Chancellor's role as both head of the system and president of the largest institution within that system fed impressions of favoritism in the resource allocation process. One former institutional president, for example, was adamant in his insistence that one president cannot serve two masters — a system and an institution. Others expressed the view that the president of a major land grant university located on the Front Range could not understand the needs of small system institutions providing higher education services to residents of western Colorado.

We should mention that there was apparent awareness and concern for these perceptions among the system people with whom we met at the system office. They went to considerable effort to explain how they were trying to address them and the advantages to the state and the colleges that was offered by the system arrangement.

The State College Board of Trustees administration received a share of invective. One speaker said that the staff causes the institutions to duplicate everything that goes to CCHE. While some people view the Office of State Colleges as an advocate for these institutions, others insist that it has never been that. They also note that the board office is based in Denver, while three of the colleges in the system are located in rural areas. The office was criticized in the field for an inability to recognize, articulate, and obtain sufficient support for rural community needs.

The presence in Colorado of a state community college system and two (and 'one-half') outlying or local district institutions does not seem to evoke much concern. While some feel that the independent community colleges should be brought into the system, others said this should be done only if the state is willing to replace the loss of local funding that could be expected to ensue. There is no desire to do this, apparently, on the part of either side. The experience of Colorado Northwestern, which is sort of half in the system and half locally governed, might offer an example of how such a relationship could work, but we did not encounter many people who seemed to be aware of this arrangement.

For their part, people at the separately governed community colleges complained of being excluded from involvement in issues that affected them, as, in their view, when the state board brings people together to consider proposals, options, and strategies or when it speaks for the 'community colleges of Colorado' without consultation with them. The institutional representatives from the local board colleges felt they were not always included in inter-institutional discussions (for its part, the state board staff reported that it went out of its way to ensure that these people were involved). Some of this, in a small way, extended to vexation over the State Board's consideration of a new name for the system: "The Colorado Community College System," which, they suggested, implied that this was the only locus of public community colleges in the state.

Although the presence of standalone colleges in a state with an effective community college system, and

the presence within that system of an institution that also has local taxing authority, caused us to feel initially that all should be brought into the fold, the expressions of support for the present arrangement were so pervasive it became our view that if on balance the independently governed institutions deem it in their best interest to remain independent, and their communities continue to support independence, then they should be allowed to do so.

E. Inter-system and inter-sector problems were frequently mentioned

- Are community colleges, four-year 'regional' colleges and universities, and research universities valued for their distinctive qualities and features in Colorado? Are some valued more highly than others? Are some undervalued?
- Are the admissions criteria and standards for each institution appropriate for the institution? For the system? For the people of Colorado?
- Are the roles and missions of the community colleges, the four-year state colleges and universities, and the research universities, respectively, adequate, appropriate, clear, and distinctive?
- Do these roles and missions encourage regionalism, territorialism, or inter-sector competition at the expense of collaboration and statewide priorities?
- Do these roles and missions contribute to the gratuitous expansion and dispersion of the fixed assets of the system? If so, how?

People in the community colleges seemed to feel that their relationships with the four-year institutions were generally good, although several hot spots were mentioned. One of these is the 20 percent 'window' that applies to institutional admissions requirements (e.g., an institution is allowed to apply this standard to 80 percent of its new students; the 20 percent exception in its Freshmen admit offers comprises the 'window'). Several community college representatives said that the window, coupled with the comparatively narrow gap in tuition, placed some four-year institutions in direct competition with them for students. This may be more of an anomaly for some institutions than for others, given the fact that the transfer program accounts for a relatively small percentage of the total statewide community college effort.

Still, inter-system transfer problems were mentioned frequently. Apparently this problem returned after people believed it had been addressed after agreement on a core curriculum was reached. We were told that this is because no one monitors the agreement to see if it is working or if it needs to be revisited. The agreement on a core covers only about half of the lower division program; when students attempt to have their whole degree transfer they can run into problems. The need is to work for the transfer of the full degree. The core transfer agreement probably is not enough. We also were told that the community college system is considering a common course numbering system, and that should help remove some of the subjectivity from the transfer process.

Several community college administrators reported that the same transfer problems continue year after year. "It is not a seamless system at all," reported one, with students required to revalidate their courses through examinations. When asked if there is an inter-college relations council, perhaps composed of all of the institutional registrars to oversee the matter on a continuous basis, we were told that there is no such entity in Colorado.

Denver's Auraria campus drew some attention. We heard from people who agreed that Auraria has gone through a series of growing pains and is now operating without much internal squabbling, but they also felt there exists too much duplication of course effort among the institutions with programs on that cam-

pus. It is difficult for some to understand why it is necessary for three institutions to be involved in the offering of lower division courses and similar programs on the same campus. Solutions that were heard included dividing responsibilities for graduate, baccalaureate, and technical education among the three institutions involved. The major impediment to this, it was suggested, is the state's practice of funding undergraduate and graduate education at the same rate. Differential funding would be required if the CU-DENVER were to succeed as a graduate institution. One other person expressed opposition on the basis of a belief that all faculty should teach some undergraduate courses.

F. Some were critical of both the process and the results

- Which definitions of clients and delivery services (to whom and how and where higher education is delivered) apply with greatest force in Colorado?
- What is the influence of institution presidents, acting singly or in organized groups, on public and system policy? How do the presidents and their associations relate to the coordinating board on matters of public policy?
- Do faculty or staff groups have any formal or direct role with respect to policy?

Criticism about the failure of colleges and universities to move students to a baccalaureate degree in 'four years' was encountered frequently. The problem was usually considered a manifestation of inefficiency. Others, rebutting the charge, insisted that it was a result of new students, with new needs, including working while going to college. Whatever the cause, the impression certainly must be reinforced by the common use of such terms as "four-year" and "two-year" institutions throughout Colorado.

On another point, several participants from the business sector ventured that higher education does not really understand who its customers are. They suggested that there is no coherent policy in the state to invest in higher education, or workforce development, and to remain competitive. We also heard complaints that the business sector is saying the Colorado graduates are not qualified.

Many consider the quality of the education programs preparing K-12 teachers questionable. A legislator told us that nearly 90 percent of the graduating teachers report that the experience does not adequately prepare them for the trials and demands of classroom teaching. Others agreed: "Education (K-12) is a big issue — more so than higher education except for the preparation of teachers. Higher education does not prepare teachers well for the politics and dynamics of schools."

For their part, college administrators cited inefficiencies that stem from over regulation. Time lost in contract and purchasing approval processes was mentioned, as were problems associated with the constitutionally-based personnel system. Some viewed these as more troublesome than did others. Some of the more stoic observers said that they had developed understandings and workarounds and did not let these things bother them. They complained more of unfunded mandates, of which they thought there were many.

Perceptions of funding inadequacies also are strong. People spoke of the absence of funding to operate buildings. In their view, there are no operations and maintenance funds. These costs, they insist, must be carved out of their base budget. Operations and maintenance costs can and usually do in time exceed the costs of construction. They really need to be factored into the decision to erect an edifice at the beginning.

Similarly, we heard that classified staff salaries (a constitutional issue) in higher education are based on state surveys and do not reflect local markets, especially in rural areas. Moreover, the state requires that mandatory pay increases for classified staff come "off the top" of budget increases, leaving inadequate funds for faculty salary increases. This can lead to tensions between faculty and staff.

G. There appears to be widespread interest in experimenting with decentralization, but calls for changes in structure were less common

- Do roles and missions need to be updated or otherwise modified?
- Does the existing higher education governance structure need to be consolidated or otherwise modified or realigned to more effectively and efficiently meet the needs and goals of Colorado? The needs and goals of the institutions?
- Does the higher education governance structure need to be changed to promote greater decentralization? Greater centralization?
- What are some of the promising alternatives or modifications that might apply to Colorado? Are there examples of these in the experiences and organizational arrangements of other states?

Many spoke about the lack of mission differentiation among institutions in Colorado. The mission assignments at one and the same time were considered obsolete, too similar, and incompatible with the special needs of different localities. Missions are defined statutorily largely in terms of institutional type and admission standards in Colorado. Neither of these are considered germane to regions in which an institution serves as the only higher education provider.

Proponents of less governance encouraged us to find ways to establish both more, and more effective, local boards in order to create markets and to try out privatization. On the privatization possibility, several suggested starting with an institution such as the Colorado School of Mines.

Some legislators expressed interest in the potential of a higher education voucher system in Colorado. They felt it would be a way to increase competition among institutions in a salutary way. Others felt it could be a means to reduce the level of direct state funding vis-à-vis the TABOR Amendment.

Many in Colorado spoke of the importance of allowing market forces to work. One Denver observer, for example, stated that duplication does not bother her as long as institutions are responding appropriately to market needs. We also heard that institutions would like to set their own admissions requirements to fit what it is they are trying to do.

Returning to the frequent references to privatization, these usually were directed at institutions such as the UCHSC or CSM, although some felt that there were schools or programs, 'parts of campuses,' that also could be privatized. We were not always sure that everyone was using the term in the same way, so we usually preferred to use the term 'decentralization.' For at least one person at the UCB, this meant being let out of the state personnel system, out of the state procurement system, authority to set tuition, and ability to operate as a free enterprise. In return for this the institution would enter a contract to fulfill its contractual obligations. It also would agree to performance indicators.

Many argued that governance should be close to home, as close to the people as possible, and the solution for them would be a local governing board for each institution. Interests in locally governed independent institutions are strong in Colorado, both among legislators and the general public. "If all of us are alike," one president said, "Then there is only need for one of us."

Some feelings on the other side of the issue also were expressed. "We could be placed in a situation where we could easily be divided and conquered. There already are too many boards." This observer suggested merging CSM and UNC into one system, leaving UC the way it is ("You can't change it without changing the Constitution"), and keeping CSU as it is. He ventured that he did not know what to do with the state colleges.

A few others offered opinions that the system was broken, and because of this a return to local boards

for each institution was desirable. Still others talked about the possibility of regionalizing services by placing all of the institutions serving a particular region of the state under one board.

For the most part, whether the issue was structure or function, people wanted the freedom and flexibility to try different things.

H. People are perplexed about funding, especially TABOR Amendment

- To what extent is funding an issue?
- Does the governance system ensure an optimal, or at least appropriate fund allocation and distribution process?

Many see the TABOR amendment looming as a huge threat to higher education's future. It is hanging like a dark cloud. Up to now the system has been given some time while it waits for the rain. Feelings are strong that this cannot continue, and TABOR figures prominently in uncertainties about the future.

Sometimes it affects higher education in unexpected ways. A University of Colorado administrator noted that TABOR limits the institution's freedom to maneuver, such as allowing its out-of-state tuition rates to be determined by the market.

As noted, TABOR also prompts interest in student vouchers. We heard it argued that by directing the state subsidy to individual students in the form of a Colorado Scholarship instead of as part of a lump sum budget to institutions, and thereby reducing the portion of total funding provided by the state, institutions could more readily meet the standards for an enterprise exemption from the TABOR amendment.

A critic of the TABOR Amendment insisted that it creates an incentive structure for faculty in research institutions not to teach but to concentrate on research as an outside resource generating activity. Whatever else, he said, there is a lot more stress in higher education than before, and TABOR is a big part of it.

I. Inter-regional and access disparity concerns are strong

- Does the system emphasize equal access?
- Are all of the geographic regions of the state adequately served? If not, are aspects of the governance system implicated?
- Are the admissions criteria and standards congruent with projected population increases in the state, including increases in diverse populations?

Sometimes the presence of comparatively small institutions with presumably higher unit costs was viewed critically, although this was also accompanied with recognition that these institutions were important to the local economy.

There are regional considerations. Those living away from the Front Range feel that people in Denver cannot know what residents in Greeley, or Gunnison, or Grand Junction need and want. Many who attended the meetings in different sectors of the state insist that baccalaureate and graduate programs are needed, especially in teacher education, but the public institutions are either unable or unwilling to meet these needs.

They insist the state needs to consider a different approach to meeting the needs of those who live in geographically isolated areas. As noted, they also suggested that consideration might be given to regionalizing programs. Northeastern Junior College, for example, could serve as a center of excellence in Agriculture.

Such sentiments seemed especially strong in western and southern Colorado. In the southern region, for example, we were told that taxpayers in that region of the state were being denied equal access to graduate education by the CCHE and the Legislature. Others insisted the problem was not restricted to graduate education, as undergraduate programs, e.g., in Engineering, also were needed.

Feelings can run strong. People in the rural areas insist they have had to fight for what they have and will have to fight for what they want to keep. It would be difficult to ascertain fully whether the alleged magnitude of these inequities is real or perceived. Nonetheless, the absence of a clear venue for addressing and resolving this issue may be a shortcoming of the present governance approach.

J. Other access concerns centered on tuition levels

- What about tuition and fees, is the pricing system — the different tuition and fee rates charged to students attending different types of institutions — optimal?
- Is the tuition structure too condensed? Is there sufficient or insufficient differentiation among rates charged by the community colleges, the regional institutions, and the research universities?
- Does the pricing system contribute to or impede the accomplishment of institutional roles and missions? Does it enhance participation? Does it impede participation?

Administrators in several of the regional community colleges contend that they are losing potential students to institutions in surrounding states. In addition, many argued that Colorado community college tuition is too high in relation to other sectors of higher education.

We heard, for example, that at Auraria there was really little cost incentive for a student to attend the Community College of Denver when for just a little more, this person could start at Metro, which is also an open door institution for people over age 20, and avoid potential problems with credit transfer or articulation later.

Others felt that the Legislature should not hold all institutions to the same allowable percentage tuition increases but permit institutions such as UCB to increase the price to what the market would bear while stabilizing tuition levels at institutions where access is an issue.

We listened to opinions on many, many other aspects of Colorado's higher education system — the manner in which off-campus instruction, distance education, and workforce development are funded; the absence of understandable funding formulas; the need for a higher education cost study; the lack of differentiation between undergraduate and graduate level funding; the importance of more higher education collaborative structures; requirements on resident-nonresident student ratios; greater equity in funding; the tension between FTE based funding and expectations of inter-institutional collaboration; affordability, relationships with K-12; remedial education; and many others. We also listened to sometimes lengthy, but always interesting, of course, descriptions of institutional programs and initiatives.

We returned from these meetings with several composition books filled with notes, and several cartons of prepared statements and descriptive materials. Hence, this summary could continue for many more pages. We close with one president's comment that describes the ambivalence that seems to typify the reactions to the call for this governance review, "HB 99-1289 scared people into believing that we must start working together. We know that if the Legislature has a perception of structural discord, it can't help." At some point, the cowboys and the farmers must be friends.

ENDNOTES

- 1 HB 99-1289 defines the “state system of higher education” as “the department of higher education, the Colorado commission on higher education, the governing boards for the state institutions of higher education, and the state institutions of higher education.” The Auraria Board of Directors also falls within this definition.
- 2 HB 99-1289, pp. 4-6.
- 3 An Overview: Past Present, Future. This report addressed such matters as unnecessary duplication; administration costs; cash funds; fiscal data; tuition and fee patterns in other states; graduate education funding; remedial credits; effects of state personnel system requirements; enrollment, retention, transfer, completion, and time-to-degree patterns; the Quality Indicator System; and inter-institutional credit transferability.
- 4 Other matters to be covered in the second report include institutional strengths and weaknesses; the capacity of the system to respond to work force development needs; faculty salaries; the potential of privatization; the use and coordination of technology; and such other issues that might be identified by the Joint Budget Committee or the respective Education Committees of the two houses of the Legislature.
- 5 The list of topics to be addressed during the second study year appears on pp. 6-7 of HB 99-1289.
- 6 The CCHE was established in 1965. Additional authority was extended to it in 1985.
- 7 HB 99-1289, p. 9.
- 8 Technically, the RFP was issued by the Colorado Department of Purchasing. Also to be noted is the fact that the CCHE is a division of the Colorado Department of Higher Education. To simplify matters, the CCHE comprises the usual reference to the contracting authority in this report.
- 9 The logistics associated with the site visits were managed by the staffs of the CCHE and the institutions. Both collaborated in a manner that can only be described as exemplary and which certainly warrants an additional expression of gratitude at this point. Simply stated, these meetings could not have occurred in the manner and on the schedule they did without the involvement of these people.
- 10 Approximately 130 messages of this nature had arrived by October 17, 2000, the date the field review period officially closed; others continue to arrive at the time of writing. These include a petition with 103 signatures stating opposition to the draft report generally, and to the recommendation on UC-D specifically, and a separate ASCUD petition signed by approximately 475 people ‘condemning and opposing’ the UC-D recommendation. A petition signed by 10 CCD students and opposing both the part of the recommendation pertaining to CCD and “NORED’s other recommendations” arrived during the review period.
- 11 Prospective Governance, AGB Occasional Paper No. 31 (1997, Washington D.C.) p. 5, Emphasis in the original. The emphasis has been added.
- 12 In the State Board of Agriculture’s October 16, 2000 response to the field review draft, the Board stated: “We feel these conclusions need to be much better established, since they appear to be based mostly on the perceptions of NORED staff.” We are not completely sure of what more is needed. In fact, these conclusions are based almost in their entirety on what was learned during the on-site work in Colorado (see Chapter Seven). If the reference is to the experience of the project staff, it may help to note that this experience formed collectively from work on governance issues in virtually every American state over a combined total of at least 150 years.
- 13 ECS, “Phase II Narrative. . .,” p.2.
- 14 Parts of this section are based on Dennis Jones’ observations in “An Agenda. . .,” op. cit. and conversations with Patrick M. Callan of the National Center for Public Policy and Higher Education.
- 15 ECS, Aims McGuiness, “Essay: The Functions and Evolution of State Coordination and Governance in Postsecondary Education,” in “State Postsecondary Structures . . .,” op. cit., p. 9.
- 16 “The Future of Colleges: 9 Inevitable Changes,” October 27, 2000.
- 17 Designing State Higher Education Systems for a New Century, (ACE, Phoenix, 1999).
- 18 Donald E., Heller, “Tuition Pricing and Higher Education Participation in Colorado, (NORED, Olympia,

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- October 19, 2000), pg. 17.
- 19 CCHE, Master Plan, May 4, 2000, pg. 5.
- 20 The SBA objected to this recommendation in its response to the draft report and included, as an appendix to that response, a list of governance structures for the 59 Research I public institutions in the U.S. According to this list, 17 of those with system/branch campuses with enrollments under 10,000 combine the anchor institution and system CEO positions. Of those with system campus enrollments over 10,000, the positions of anchor institution CEO and system CEO are separated. While we found some minor inaccuracies on the list (e.g., the University of Washington has branch campuses in Tacoma and Bothell but is listed as an Research I institution with no branch campuses), we also consider the list informative. We do believe, however, that the utility of the information is limited by the author's failure to define "branch" and "system" institutions. Branch campuses may be a lot of things, but they are principally offshoots of the main campus (e.g., Ohio State University, the University of Washington) administered by a dean or vice-president. They also may be less than comprehensive four-year institutions (e.g., upper-division and masters degree). In these instances, a single CEO for the 'system' probably makes most sense. When these are full-fledged four-year campuses administered by a president or chancellor, as, for example, in the University of California or University of North Carolina systems, separate system and institutional presidents probably makes more sense. The SBA list keys on Research I systems. We note, however, that in the case of state university systems (e.g., Utah, Montana, etc., etc.) the institutional and system positions usually are separate. Finally, the SBA list uses the term "system CEO/coordinator." The use of the title 'coordinator' for a university system CEO is novel.
- 21 A Digest of Reports of the Carnegie Commission on Higher Education, (Berkeley, 1974), p. 167. Emphasis added.
- 22 A Digest . . . op. cit., p. 167.
- 23 A Digest . . . op. cit., pp. 167-168.
- 24 A Digest . . . op. cit., pp. 170-171.
- 25 Robert O. Berdahl, Statewide Coordination of Higher Education (AGB, Washington DC, 1971).
- 26 Glenny, "Statewide Coordination . . .", op. cit.
- 27 Aims C. McGuiness, in State Postsecondary Education Structures Handbook, (ECS, Denver, 1997).
- 28 Designing State Higher Education Systems, op. cit., pp. 176-177.
- 29 AGB, Prospective Governance, op. cit., pp. 4-9
- 30 Use of the designations "four-year" or "two-year" institutions is endemic to American higher education, and the practice is followed in this report, even though times and students have changed, and the practice of completing a program in two or four years is no longer as common as it once was. One wonders, however, if continued use of the four-year and two-year classifications might not feed impressions of inefficiency with respect to time to degree.
- 31 The junior college appellation denotes a lower-division academic transfer, or liberal arts institution. There are other institutions in the US that have retained the junior college title, but for the most part, these also have continued as liberal arts institutions. Notably, the American Association of Community Colleges recently adopted that name to replace its former title, American Association of Community and Junior Colleges. As comprehensive institutions, Colorado's junior college are misnamed.
- 32 CRS 23-1-101 through 23-1-123
- 33 In its response to the draft report, the SBA insists that CRS 23-1-101 does not provide for delegation of any of the Legislature's power or responsibility to the CCHE, 'an executive agency,' which would be unconstitutional with the separation of powers clause in the State Constitution. The response goes on to note that "Rather, the statute provides that express powers and duties are delegated to CCHE and defines its duty as being to implement the policies of the General Assembly." This is virtually the same wording as used in the report. We appreciate the SBA effort to shed further light on the subject but stand by the original description. The SBA also takes exception to the report's reference to the CCHE as an 'agent' of the Legislature. The term is used figuratively in the report, based on the Legislature's statement that "the CCHE's duty is to implement the express policies of the General Assembly." Technically, since the CCHE is carrying out the express policies of the legislature rather than acting on behalf of the Legislature, the SBA is correct, and the term has been dropped from this version of the report. We stand by the statement,

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- however, that the CCHE is and was intended to be an agency of government rather than a representative of higher education.
- 34 CRS 23-60-102 makes the SBCCOE responsible for state policy for occupational education and to govern the state system of community colleges. The board is charged to assure a system of two-year program delivery, etc. The function of the system is described in statute as “to conduct occupational, technical, and community service programs with no term limitations and general education, including college transfer programs with unrestricted admissions. The statute continues with a list of other specific mission responsibilities.
- 35 See CRS 23-30-101 et. seq.
- 36 SBA/CSUS Response to the NORED Report, pp. 16-17.
- 37 Article IX, sec. 12. The following section, sec. 13, refers to the Regents’ duty to elect a president of the University. It is equally laconic in tone.
- 38 CRS 23-31-101
- 39 The initial report from the Commission classified UNC as Doctoral-Extensive. The University questioned this, and, according to a report from this institution, the classification was changed to Doctoral-Intensive.
- 40 CCHE, Colorado Higher Education 2000, “Graduate Program Delivery, Finding, Chapter 6.
- 41 CCHE, Colorado Higher Education 2000, Executive Summary Chapter 1B — Curriculum Duplication (Denver, January, 2000) p. 1.
- 42 CCHE, Colorado Higher Education . . . , op. cit., “Meeting Colorado’s Population Needs,” p. 24. Emphasis added.
- 43 CCHE, Colorado Higher Education 2000, Chapter 6, “Graduate Program Delivery, Funding” (Denver, January 2000).
- 44 National Center for Education Statistics, Life After College. . . op. cit.
- 45 First-professional degrees are those that qualify graduates for entry into such professions as dentistry, medicine, pharmacy, law, the clergy, etc.
- 46 Advisory Board of the Western Colorado Graduate Center Response to the NORED Report on Governance, October 13, 2000.
- 47 Because of variances in reporting, these data need to be treated gingerly. Reporting patterns among institutions vary with respect to the use of the category, “unknown.” The percentages used here are based on the “known” categories. That is, the “unknowns” were dropped from the totals for comparison purposes. This could have resulted in some distortions, so the figures here are applied with some caution.
- 48 (CSG, Chicago, 1952) p. 152.
- 49 CSG, op. cit., pp. 2-5.
- 50 (ACE, Washington, D.C., 1971) pp. 18-19.
- 51 State Higher Education Executive Officers, Denver, 1985, p. 7.
- 52 (ECS, Denver, 1997).
- 53 Boards with program approval authority.
- 54 Boards without program approval authority, but with authority to review and recommend.
- 55 ECS, “1997 State Postsecondary Education Structures Sourcebook,” December, 1997, p. 58.
- 56 Callan, et al., op. cit., p. vii.
- 57 Callan, et al., op. cit., p. 16. The term “federal” is used in its pure form, a relatively centralized union of a central and several local authorities, in contrast with “confederal,” which describes a relatively weak central authority and comparatively stronger local authorities.
- 58 From William Chance, “The Policy Environment for Higher Education in Washington State,” prepared for ECS, May, 1994. References are to the NCHEMS’ report, “State Policy and College Learning (SPCL) Project Policy Review Summary — Colorado” (NCHEMS, Boulder, various drafts, no date).
- 59 Toni Larson is one of these people. Ms. Larson is addressing the subjects of decentralization and deregulation in American higher education for her PhD dissertation at the University of Denver. She graciously shared some of her thoughts with the project team.
- 60 Larson, op. cit., “Introduction,” (unpublished material, July, 2000), pp. 1-2

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- 61 In 1993, a Washington enactment, SB 5781, opened with a recognition of the “basic higher education dilemma” in Washington: “The proportion of the state budget dedicated to postsecondary educational programs has decreased for two decades (from 7th in the nation in higher education participation in 1981 to 29th in 1990). At the same time, major technological, economic, and demographic changes have exacerbated the need for improved training and education to maintain a high-quality, competitive work force, and a well-educated populace to meet the challenges of the twenty-first century. Therefore, the legislature finds that there is increasing need for postsecondary educational opportunities for citizens of the state of Washington.”
- 62 Designing State Higher Education Systems, *op. cit.*, p. 24.
- 63 Designing State Higher Education Systems, *op. cit.*, p. 175.
- 64 Pioneer Institute for Public Policy Research, “Charter Colleges: Balancing Freedom and Accountability,” (Boston, no date), p. 9.
- 65 See Aims McGuinness, for ECS, “A Case Study of the 1994 New Jersey Higher Education Restructuring Act,” (Denver, 1995).
- 66 “A Case Study of New Jersey . . . , *op. cit.*, p. 6.
- 67 Charter Colleges and Universities, *op. cit.*, p. 3.
- 68 Charter Colleges and Universities, *op. cit.*, pp. 4-5. Apropos Colorado, the authors also note that “In addition to the control exerted by system governing and statewide coordinating boards, in many states . . . powerful bureaucracies such as the attorney general’s office, the departments of employee relations, finance, administration, and facilities or capital asset management not only publish rules but often manage day-to-day affairs. It is not uncommon for a state bureaucracy to manage or supervise closely union contract negotiations, purchasing, legal affairs, and construction. Colleges and universities are also regulated by federal agencies including the Department of Education, the Occupational Safety and Health Administration, the Environmental Protection Agency, the Internal Revenue Service, and a variety of lesser-known agencies.” (See p. 4.) But, then, aren’t we all?
- 69 Sara Hebel, “States Start to Consider the Idea of Charter Colleges: Institutions would receive more budget leeway in return for agreeing to specific goals,” March 24, 2000
- 70 The importance of a local board responsible for charter oversight raises serious questions for states such a Colorado that operate with a mixture of standalone and system institutions. Establishment of a local board responsible for the charter for institutions that are part of a larger system creates natural problems in the eyes of the system board. The solution proposed in the draft report involved local boards for such institutions that would be composed of a mixture of appointed and system board members. This proposal was challenged in the responses from both of Colorado’s university systems. They argued that the system boards could handle this responsibility. In a separate response, Colorado legislator Keith King raised the possibility of two forms of charter institutions. For those within systems, there would be a local board that would be advisory to the system board. For standalone institutions, the institutional board would be the charter board. It is an important question, and it will need to be resolved. Logically it devolves to a matter of either limiting charters to standalone institutions or breaking up university systems. In either case, the potential for charter institutions as instruments of policy change is limited. We believe that charter institutions can function within university systems, and we continue our initial recommendation on this subject. If a better solution can be found, we would support its trial.
- 71 Press release, Governor Gilmore’s Office, “Governor Gilmore Announces Plan to Develop Institutional Performance Agreements, August 17, 2000.
- 72 CCHE staff offered this comment on response to various allegations encountered during the site visits and reported in the draft:

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“CCHE deregulated its program approval process several years ago (1998). The statute requires Commission approval before a new degree program is implemented or funded in Colorado. Our revised degree approval policy delegated the external review (graduate programs only) and peer review of new proposals to the governing boards as well as delegating the quality analysis, the cost-effective analysis, and the physical capacity assessment. After several months, the governing boards asked CCHE to resume its former role in coordinating the peer and external process. We agreed. Since CCHE policy is silent regarding external review of undergraduate programs, some boards conduct external review of undergraduate programs for their own purposes.

“There is a general statement in the report that CCHE policies have remained unchanged in twenty years. While this is arguably true in some policy areas, all academic policies were decentralized beginning in 1995. It was done collaboratively with the Academic Council. Under the new academic policies, the role of the governing board is strengthened and the operational details of administering a policy are delegated to the governing board. Counter-intuitively, when the governing boards adopted their new degree approval policies, the degree approval process become more prescriptive, especially for the CU Regents. A disconnect exists between CCHE policies and how these policies are applied/interpreted at the governing board level (some not all gov. boards).

“Pg. 94 of the [draft] report implies that the policy control mentality occurs at all levels in the system but the overall implication is that it is CCHE policy that prescribes the degree approval format and process. [The following context is provided] for the comments that appear to relate to academic policies. The perception of policies that “prevent bad things from happening” appears to be linked to Program Approval and CCHE’s “lengthy program review and approval process.” According to CCHE policy, the entire degree approval process at the state level can occur in 60 days. The lengthy part is the institutional curriculum review and the tendency of one board to submit proposals without governing board approval and ask for a special exception. Degree proposals submitted by April 1 are analyzed and considered at the June 1 Commission meeting. Proposals submitted by November 1 are considered at the January meeting. The two times were selected to accommodate college catalog print dates (i.e., approval after January is too late to include in the catalog or the fall schedule according to institutions) and the June date provides graduate programs with sufficient lead time to recruit new graduate students. The two designated months allow CCHE staff to cluster proposals and focus on the big picture rather than the details of individual degree proposals.

“The perception of policies that ‘punish institutions’ is usually associated with the Diversity Policy — which was changed in 1998. The revised policy contains no penalties. Policies created to prevent a “particular behavior from occurring again” are usually associated with the Sabbatical Policy. This policy merely restates the statute. Each governing board has a replicate of the same policy to comply with the state mandate — the entire system has adopted the minimalist approach on Sabbaticals.

“I do not concur that decentralization denotes or connotes privatization — this is a private college sector connotation. . . The following paragraph summarizes the Commission connotation of decentralization when the policy revision process began.

“The Commission charged its staff to decentralize its policies with the purposes of “providing greater procedural autonomy while still maintaining direct lines of accountability.” From the Commission’s perspective, the Commission can delegate authority but it can never delegateresponsibility. The presence of accountability components characterize a ‘real’ decentralized policy. If the Commission delegates authority to a governing board and the governing board makes a decision, the governing board is accountable for the results of the decision. In contrast, a deregulated policy implies that the operating procedures are low priority or that the system is operating well and a laissez faire approach is the best approach. There are several “deregulated” academic policies including existing program review — CCHE plays no role in this process and does not even receive copies of reports (check out report refer-

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ence to this as a strong CCHE policy) — and academic planning policy — the annual governing board reports are used to initiate dialogues with the governing board staff to understand the future needs of its institutions.

“Regarding transfer. Good suggestion for a standing transfer committee. In fact, CCHE has had a standing transfer committee that hears appeals, arbitrates impasses, and provides advice to the Commission. In the late 1980’s and early 1990’s, the committee met twice a year with a full agenda. After meeting 5 years without hearing a student transfer appeal or negotiating an agreement between two institutions, the committee voted to convene only if an institution or student submitted a case. As a random check, the advisory committee issued a call in 1998 to all colleges to collect evidence of loss of transfer credit and invited two year and four-year advisors to a meeting to present evidence. Lots of people attended but no one provided any examples of credit loss. The student complaints focused on the misinformation that advisors provide prospective transfer students rather than credit loss per se.

“In 1999, the state conducted a policy audit of the negotiated transfer agreements. Examining 400 randomly selected student transcripts disclosed that the primary reasons credit did not transfer (in rank order) were failing grades (D or F), religious courses, extra credit (one community college student attempted to transfer 188 credits — 90 applied to the four-year raduation requirements). In general, community college students that followed a transfer agreement entered with junior standing. . .”