



The Higher Education Coordinating Board and Higher Education Governance in Washington

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REPORT SUMMARY

The Washington Legislature created the Higher Education Coordinating Board (HECB) in 1985. Its statutory mission is to “provide planning, coordination, monitoring, and policy analysis for higher education in the state of Washington in cooperation and consultation with the institutions’ autonomous governing boards and with all other segments of post secondary education.”

The HECB has numerous other statutory responsibilities such as development of the state’s Master Plan for higher education. It also has a variety of rule-making, regulatory, and administrative responsibilities, including management of an array of financial aid programs. Approximately 96 percent of its budget and 88 percent of its staffing are allocated to the management of these administrative programs. The remainder applies to its planning, policy, and coordination functions.

This paper concerns how state-level higher education governance is addressed in this and other states. Briefly, there are three main types of statewide higher education agencies: statewide *governing boards*, *coordinating boards*, and *higher education planning agencies*, the last of which is distinguished by the absence of any clear formal governing or coordinating authority. Two states, Delaware and Michigan, fit into this category. The remaining 48 divide into “Governing Board” and “Coordinating Board” states: 23 have one or more state-level governing boards; 25, including Washington, operate with statewide coordinating boards.

Governance evaluations typically focus on how states organize to govern or coordinate their higher education systems and who is responsible for doing what. These issues, the ‘what’ and the ‘how,’ involve the *Functional* and *Structural* dimensions of governance: the Functional dimension concerns what is expected of governance; the Structural concerns how the governance system is organized to meet these expectations.

Governance and coordination, however, involve more than these two dimensions. In addition to the *Functional* and *Structural* matters, there are the *Collaborative*, and the *Adaptive* aspects. Respectively these concern how higher education and government work together to accomplish public purposes and how the higher education system, and by extension the state, adapts to changing needs and conditions. More specifically, the Collaborative concerns the extent to which the system addresses, accommodates, and combines the divergent interests of the major players – its capacity to bridge different perspectives and organizational cultures. The Adaptive involves its capability to anticipate and adjust to new conditions, settings, and environments. Washington’s Collaborative and Adaptive capacities have been matters of interest for a long time, but rarely more so than now.

The HECB can trace its heritage to the 1969 establishment of the Council on Higher Education (re-named Council on Postsecondary Education in 1975). Like the HECB, the CHE also was a coordinating board, but unlike the HECB, it had only recommending authority. It could review proposals for new degree programs, but it

could only *recommend* for or against their establishment. It could engage in comprehensive higher education planning, but it could only *recommend* policies. It could examine institutional budget requests, but it could only *recommend* levels and programs on the basis of their alignment with the statewide plan.

In time this situation proved unsatisfactory, and, in 1985, the CHE was reconstituted into the HECB, still a coordinating board but one with *approval* power and much stronger regulatory authority. Significantly, the legislative debates at the time dealt less with whether or not there should be a statewide coordinating board, most agreed that this was the preferred model for Washington, and more with how it should be constituted, i.e., what should be its clout. This also was the case with each of its precursors.

These periodic debates are instructive in other ways as well. Attitudes concerning the need for and the mission and roles of such statewide boards as the HECB oscillate almost cyclically. Some of this involves board member and staff considerations; some relates to changing social and economic circumstances and legislative expectations, and some to impressions that higher education, higher education planning, is not adequately addressing the important things. An absence of clear definitions in the relative authority of the coordinating board and the institution governing boards is a persistent source of tension. The respective responsibilities of these two forms of lay boards have never been fully resolved to everyone's satisfaction in this or any other state, at least for very long.

Effects on opinions about the coordinating board are apparent in the responses to interviews conducted by the Washington State Institute for Public Policy during September-October 2002. The most favorable views concerned the HECB's role and functioning with respect to its administrative responsibilities, particularly its management of financial aid programs. Views of the agency's performance of its degree approval, coordination, and planning functions – its 'regulatory' responsibilities -- and the extent to which it is able to represent the public interest apparently impress a much smaller group of respondents. An even smaller group views opinions of the effectiveness of its budget review; planning; and coordination roles favorably. Stating it more directly, most of those who were interviewed were critical of its performance in these 'policy' areas. These opinions display remarkable parallels with earlier (1970s and early 1980s) views of the HECB's predecessor agencies, the CHE/CPE.

Lacking strong higher education constituencies, coordinating boards operate in an atmosphere teeming with dissonance in the best of times. The level of the discord, however, ebbs and flows; usually it flows. Thus, each of Washington's coordinating boards has experienced sequential periods typified by vigor and activity, the acquisition of additional administrative responsibilities and program oversight assignments, and uncertainty and enervation. It is usually at the last stage that the legislature considers adjustments.

Such patterns may come with the territory, but they also suggest that the agency's organization and authority are not the issue, since these do not change significantly over the cycles. A more likely explanation is that times, expectations, and

situations change rapidly while adjustments in statutory assignments and missions lag well behind.

The environment for higher education in Washington is changing. The HECB Year 2000 Master Plan identifies higher education's competitive environment, workforce training, and quality of life for people who live and work in the state as public policy issues. A close relationship between the education levels of those who live and work here and economic growth is widely accepted. This relationship involves all types of institutions, and it concerns residents of all areas of the state

These carry important implications for virtually every aspect of education, from improved access for residents to who is doing what for whom and how. They also carry important connotations for how systems are governed or regulated, not as much in terms of the organizational style as in relationships among sectors and between the institutions and the state.

Presently they are nourishing interests in a shift from regulation and micromanagement to greater reliance on the advantages of decentralization and collaboration. State approaches to higher education are changing, accordingly, from a narrow policy focus on public colleges and universities and recently graduated high school and on-campus students to a wider range of customers and providers representing a broader spectrum of society and different thoughts about where and when education occurs.

These dynamics also suggest that a new emphasis is required, one that reflects a change in the relative importance of regulatory strategies to attain public policy objectives, on the one hand, and greater institutional flexibility to respond rapidly to changing needs and demands, on the other. If colleges and universities are to adjust to new and more customer responsive ways of doing business, if they are to operate effectively in these new environments, they must be allowed to do so.

A number of those who were interviewed by the WSIPP insisted that the state struggles too hard to impose and maintain a regulatory relationship with its colleges and universities. This also is not new. It is evident in the discussions that led to consideration of a *new compact* with higher education in Washington ten years ago. In 1993, the new compact notion became articulated policy when the HECB statutes were amended to include a specific reference to it. This amendment declared it a policy of the state to create an environment in which the institutions would have the authority and flexibility to meet statewide goals through decisions and actions at the local level. Enrollment lids would be lifted, quality would be defined by results, and the state would avoid micromanagement. This policy would be pursued through a system of coordinated planning and feedback. Under this concept, the state would avoid micromanagement in exchange for regular evidence of institutional compliance with state priorities.

Implementing the new compact through coordinated planning proved more difficult than it may have seemed at the time. The HECB's year 2000 Master Plan, ("The 21st Century Learner,") makes no reference to such a compact and only indirect

reference to institutional flexibility. Achievement of a new compact through coordinated planning and feedback has not been accomplished. This may have contributed in part to uncertainties about the HECB.

The usual solutions that states employ when a decision is made to reconsider their higher education governance arrangements emphasize organizational changes – boards are reconstituted or reconfigured, and their powers are either further centralized or further decentralized.

Washington has fluctuated in the weight assigned to central and decentralized control in higher education. The emphasis now is on decentralization, provided it can be accompanied with an assured system of accountability. Accountability is defined as evidence of efficient performance in the fulfillment of state higher education goals and priorities.

Because of this, attention now needs to focus less on the organization and powers of the HECB and more on clarifying the relationships the state wants with its colleges and universities and the role of the state coordinating board in that new context. New relationships can be accomplished and maintained through an arrangement that employs institution compacts as the means by which state goals, priorities, and expectations are defined and conveyed, funding and flexibility are provided, performance is monitored, and decentralized governance and accountability are achieved and balanced.

Essentially, in exchange for the promise of reasonably steady appropriations capped at agreed upon amounts and freedom from specified procedural controls on how the funds are spent, the institution of higher learning agrees within its compact period (e.g., four, five, or six years) to provide more efficient and effective higher education services in indicated ways in accordance with public priorities. The state and the institution also would agree on the performance measures that would be used to evaluate fulfillment of the institution compact. Notably, rather than generalized performance measures for all institutions, the performance measures would be unique to each institution and to the state-institution compact.

The concept requires the establishment and maintenance of a clear and coherent state higher education policy framework and reliance on delegation, budgets, and accountability measures to ensure that the policies are being pursued and the goals are being accomplished. This could be accomplished through a focused statewide dialogue. This process would be different than earlier similar events in that it would be linked to the institution compact program.

Briefly, this approach entails state delegation of as much executive responsibility as reasonable to the institutional and institutional/district board levels within a clarified policy framework. It provides a way to combine decentralization and accountability. It clarifies the role and responsibilities of institutional governing boards and offers a more sharply focused mission and set of expectations for the coordinating board. There is no better time for serious consideration of such a new relationship than now.

INTRODUCTION

Challenges Facing Higher Education in Washington

The challenges facing higher education in Washington begin with population growth. The Office of Financial Management has projected the state's population to increase from 5.9 million in 2000 to 8.3 million by 2030 – more than 40 percent. Most of this growth, more than half, is expected to occur by 2015, when the population will surpass seven million. Much of the increase will be in those segments most likely to seek a college education, an experience viewed increasingly by Americans as the main portal to the middle class.

The composition of the population also is changing. James M. Furman, the first director of this state's higher education coordinating board, put it well recently when he stated, "The next generation of college students will be larger, more disadvantaged and diverse, and more interested in postsecondary education because they have fewer economic alternatives."

Participation is a problem. The National Center for Public Policy and Higher Education awarded the state a "C-" grade in Participation for 2002 on the national state-by-state report card. Presently about 37-percent of Washington high school freshmen enroll in college anywhere within four years. The figure for 2000 was better, 42-percent. Three percent of Washington's working age adults enroll part-time in some type of postsecondary education. The average for the top performing states in this category is 5.4-percent. Assuring adequate and unfettered access to higher education is a major and persistent challenge.

"Unfettered" is a key term. Access to higher education involves not only a seat in a college classroom; it concerns the ability to pay for it -- affordability. Presently the population and revenue projections for Washington are on a collision course. State revenues are contracting, and competition for adequate funding among public programs is increasing. As priorities are set, pressure builds on such 'user fees' as tuition. Increases in tuition directly affect the cost of college attendance, particularly for students with modest economic resources, the very students who will account for much of the projected population growth, and they affect affordability. Meanwhile, the state's ability to make up the difference in costs through student financial assistance programs diminishes. Washington also received a "C-" grade on Affordability on the national Report Card. Some people simply cannot afford to go to college. Others must borrow to do so. The average amount that Washington students must borrow each year to go to college is about 18-percent higher than the most affordable states. Ensuring an affordable education comprises a persistent challenge for Washingtonians.

While these concerns unfold, calls for a close association between higher education and economic growth continue, forming a third forceful challenge. Washington is a state with enormous economic potential. It places second in the 2002 national New Economy Index rankings, closely behind the leader, Massachusetts, and ahead of California, which ranked third. According to the New Economy Index authors, "While history shapes the hand

a state is dealt, public policy determines how that hand is played. Policies that promote technological innovation and improve education can boost a state's innovative capacity and create a more dynamic and productive workforce.”

Higher education is a key factor in a state's economic capacity and standing. Education attainment and workforce training are major aspects of this. In Washington about 30-percent of the adults have a bachelor's degree or higher, compared with 35 states that received better grades in this category on the NCPPHE Report Card. Assuring a continuous and strong economic capacity for Washington is another test the state must face.

Challenges such as these place a great deal of pressure on the way the state relates to its colleges and universities. The demand for affordable places in college and the need for a close association with the state's economic growth needs, coupled with an uncertain fiscal capability to pay for them, forces attention to how the state manages its colleges and universities. An insistence on accountability builds almost naturally, as legislators and others require assurances that colleges and universities are expending public funds efficiently and effectively, and as they call for evidence that this is occurring. The frequent result is centrally imposed standards and requirements, rigid review procedures, funding tied to performance, and elaborate performance indicator systems, among others. The relationship is defined by regulatory policies.

Strict accountability programs, however, run counter to another development: as state funding for higher education contracts, pressure to allow greater managerial flexibility builds. This is reflected in the frequency with terms such as 'decentralization,' 'deregulation,' and 'entrepreneurship' enter the conversation. A cogent argument is made that if institutions are to operate effectively in the environment created by such demands as access, affordability, and economic growth and development, on the one hand, and a limited capacity on the part of the state to pay for them, on the other, colleges and universities must be given the managerial flexibility to do so. Balancing managerial flexibility with accountability may be the most imposing challenge of all. The need for incisive thinking about future needs for higher education in this state and how it is to be provided has never been greater.

These challenges involve both the institutions and the state; and they especially test the Higher Education Coordinating Board. The future of that organization as the pivotal higher education planning and policy agency will be shaped by how well equipped and willing it is to meet the test.

This report is about Washington's Higher Education Coordinating Board, hereinafter referred to as the HECB. It also is about the managerial relationships that exist and could exist between the state and its colleges and universities. The effectiveness and appropriateness of state higher education agencies such as the HECB inevitably devolve to the association with its institutions the state values, since the statewide agencies are programmed to operate in the space between the two. It is a place where signals are frequently mixed and usually changing, and agility can be a prerequisite for success.

Sometimes the expected nature of the relationship can be inferred from the purpose statements and powers described in the coordinating board's enabling statutes. These, however, are relatively fixed and not well constituted to keep pace with rapidly changing social and economic environments and political necessities. Any relationship implied in an enabling statute is likely to become rapidly dated. Because imperatives change, statewide higher education agencies are rarely able to satisfy everyone and almost never for very long. Yet, higher education governance arrangements are products of events, often formed through trial and error, sometimes the result of political processes, but almost always resistant to rapid change.

Despite attempts to classify state governance systems into a few types, there are fifty different state governance models in this country. None is perfect, all must deal with cyclical tribulations and fluctuating confidence levels, and none is transplantable.

Compared with some state systems, Washington's is relatively straightforward. There are nearly forty independent institutional governing boards in the public sector in Washington State. Their traditions of institutional autonomy both contributed to and explain the reason why this is a coordinating rather than a centralized governing board state. Thus, Washington's statewide higher education agency, the HECB, does not have direct management authority over the public colleges and universities; it does not hire presidents or members of the faculty; and it does not operate institutions. These responsibilities are the province of the individual institutional governing boards, and, to some extent, the State Board for Community and Technical Colleges (SBCTC) for the institutions that compose that system.

In the case of the universities, the institutional governing boards are the Boards of Regents, respectively, for the University of Washington and Washington State University, each of which also is responsible, again respectively, for the University of Washington Tacoma Branch and the branch campuses of Washington State University in Spokane, the Tri-Cities, and Vancouver.

Central, Eastern, and Western Washington University, and The Evergreen State College also have individual boards of trustees appointed by the governor. In this sense these institutions are stand-alone entities, but unlike institutional and system governing boards in some states, Washington's boards and institutions are not empowered by provisions in the State Constitution. Rather, their authority is conferred by Washington statute, as is the case with all of public higher education boards in Washington, including the HECB and the SBCTC.

Washington's 34 community and technical colleges comprise a statewide system, 'supervised and controlled' by The State Board for Community and Technical Colleges [RCW 28B.50.090]. The governor also appoints members of the SBCTC board. Each of the districts and some of the institutions in this system also have a governing board, each also appointed by the governor. Since a few districts comprise multiple institutions, the number of boards, 30, does not equal the number of institutions, 34.

These boards are responsible to operate the institutions in their districts in accordance with the purposes of state law, employ presidents, and do those things necessary to 'govern, manage, and operate' the district and its institutions.

Another sector of Washington higher education to be considered by the HECB in its planning and student financial aid administration roles consists of Washington's private or independent institutions. These include Gonzaga University, Heritage College, Pacific Lutheran University, St. Martin's College, Seattle Pacific University, Seattle University, the University of Puget Sound, Walla Walla College, Whitman College, and Whitworth College, each of which is governed by its own board, and each of which is a member of the Washington Association of Independent Colleges and Universities [WAICU]. Other independent institutions include Antioch University, Bastyr University, City University, Cornish College of the Arts, Henry Cogswell College, Northwest College, Northwest College of Art, Northwest Indian College, Pacific Oaks College Northwest, and Puget Sound Christian College.

An appreciation of this variety and knowledge that much of it had been established for a long time were strong in the mid-1960s, when the Council on Higher Education, the HECB's forerunner, was conceived. Accordingly, the model that would be created would be a statewide *coordinating* board rather than a statewide *governing* board. Attitudes of institutional representatives at the time may be inferred from the purpose clause of the Council's 1969 enabling statute (RCW 28B.80.020): "The four-year educational institutions, under the *autonomous* governance of their governing boards, and operating within guidelines set by statute for particular institutions of higher education, have responded to the many kinds of educational needs of the people of a dynamic and growing state." And: "The state has been well served by the delegation to the institutions of a *large measure of autonomy* which has enabled them to cooperate in achieving educational and operating effectiveness." [Emphasis added]

The legislature of the time had no apparent concerns with institutional governance. Its goal was something that could pull it all together. Thus: "With the increase in the number of postsecondary institutions [a new state college and a new 26 institution community college system] and in the scope, variety, and extent of education demanded of the institutions by the people of a dynamic state and the need to maintain articulation and coordination among the parts of a more complex system of higher education [in 1975 this was changed to 'postsecondary' education], it is desirable to establish a council to *facilitate planning for higher [postsecondary] education*" [Emphasis added]. Finally, the last paragraph of the purpose clause specified the CHE's deliberations should involve "representatives of the governor, the public, and the institutions, agencies, and systems of public and private higher education."

Few had any doubt about the difficulty, to say nothing of the misfit, of imposing a centralized statewide governance authority on such an aggregation of different institutions. This was considered, and it was considered again fifteen years later when the HECB was formed out of the ashes of the CPE, but it was not done. The choice

was a coordinating board. For many, it was the only way to reconcile the state's need for comprehensive planning with its tradition of independent institution governance. The choice has been reconsidered a few times since, but centralized governance has never been a viable option in Washington State.

Because of this a lot of people have responsibilities for governing the higher education system in Washington, and none within the system have responsibility for governing it all. A higher education governance organization chart for Washington would be a challenge to draw in two dimensions. In addition to the nearly 40 institutional boards, there are state, executive, and legislative organizations with responsibilities for at least some aspects of higher education governance. By statute only one board is responsible for *coordinating* it all. The relationships among the participants are not direct. It is a crowded room where it can be difficult to get around without stepping on toes. Yet, this is the room in which the state coordinating board in all of its permutations has had to operate.

Less clear is the fact that higher education governance is even more complex than it seems. Usually when people think about it, they focus on how it is being done and who is doing it. The 'how' and the 'who,' respectively, are the *Functional* and *Structural* dimensions of governance. The Functional involves what is expected of governance. The Structural concerns how governance is organized to meet these expectations.

Governance, however, involves more than these. In addition to the *Functional* and *Structural* aspects there are the *Collaborative*, and the *Adaptive* dimensions. The Collaborative relates to the extent to which the system addresses, accommodates, and combines the divergent interests of the major players – its capacity to bridge different perspectives and organizational cultures. The Adaptive is about its capacity to anticipate and adjust to new and changing needs, conditions, settings, and environments. Washington's Collaborative and Adaptive capacities have not been its strengths, at least not for any sustained period. Many other states share this distinction.

Studies of statewide higher education agencies tend to emphasize assignments of responsibility and organizational configurations. The last major governance evaluations for Washington, in the late 1960s and mid-1980s, exemplify this in their calls for a statewide coordinating board and a concomitant distribution of functions and responsibilities. In both cases the emphases were on how this board would be structured and what would be its authority.

These dimensions are necessary, but it is the other two, the Collaborative and the Adaptive, that have been gaining recognition in recent years. In fact, the lack of attention previously devoted to them may account in some ways for the circumstantial discomfort with statewide boards that is apparent throughout the country. Reorganizations limited to the Functional and Structural dimensions might as well be determined by a game of darts with different models as targets.

In a recent paper for the Association of Governing Boards of Universities and Colleges, Darryl Greer broached the subject of collaboration indirectly 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." [Emphasis added]

Few state systems are perfect, but many experts agree that one should not disassemble them thoughtlessly. Some of this stems from "the devil you know versus the devil you don't know" logic, but there are other reasons. In a recent book on higher education governance Terrance MacTaggart stated, "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 that will lead only to disruptive changes with little lasting gain."

The *structure* of governance may be the most obvious variable, but it is a comparatively superficial aspect. Most states have experienced situations in which a statewide agency such as the HECB, or CHE or CPE, was regarded sequentially over time as effective, then ineffective, and then effective again, while the structure remained unchanged. The changes were in the environment, in the expectations, in the relationships, and sometimes in the people involved. During the past fifteen years this state has had the same statewide board with the same structure, authority, and responsibilities, and the same functional arrangement. Yet, over time, this board has been regarded as effective, ineffective, a player, a non-player, antagonistic, supportive, relevant, and irrelevant, depending on the emphases, objectives and commitment of the board members, the talents and priorities of the CEO and staff, the ebb and flow of funding for higher education, the contentment or discontent of political decision-makers, and the support or nonsupport of the business community, among others. This also was exactly the situation with the HECB's precursor during the previous fifteen years. In each case nothing structural was materially changed, and the assigned functions remained essentially the same throughout. In fact, in neither case did the structure of higher education governance in Washington change – speaking in this case of both of the statewide agency and the institutional and system governance forms.

Structure is important, as are the various responsibilities or functions of governance. A preoccupation with them, however, may divert attention from more important dynamics – the rapport among the players, their interactions with their environments, and the relationship between them and the priorities of the state. Moreover, assuming that dedicated people at all levels of government strive to do the things they are expected to do, decisions about form and function raise questions about relationships and fit. Since there is no ideal structure to which all states can aspire, and since the functions of agencies such as the coordinating board are fairly common, understood, and shared, an assessment focused on these alone will reveal little: either

the arrangement is working or not; either some functions are being fulfilled or not. The principal queries should not be about structure or authority, *but about how well it is working*. And this is why the Collaborative and Adaptive dimensions are so important.

The meaningful issues, then, are whether the structure and functions of governance are meeting needs and expectations, managing conflict, and keeping up with changing events. The answers will be found 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 vested in higher education; and whether the higher education system is responding to the expectations emanating from its social, political, and economic environments. These are questions about relationships and change. Any useful examination of the coordinating board must pay attention to them.

STRUCTURES AND FUNCTIONS

I shook him well from side to side,
Until his face was blue:
'Come, tell me how you live,' I cried
'And what it is you do!'

Lewis Carroll, *Through the Looking Glass*

A Brief Glance Backward

The HECB can trace its heritage to 1969, when the Legislature established the Council on Higher Education. That enabling legislation was in response to recommendations of The Temporary Advisory Committee on Public Higher Education (TACPHE), a blue ribbon committee composed of the governor, legislators, educators, and members of the general public. TACPHE was formed in 1965 and remained active until 1969. The recommendation to establish a higher education coordinating board was one of several significant products of TACPHE's work. Others called for the creation of a statewide community college system, the establishment of The Evergreen State College, and the formation of a statewide student financial aid program, the first such program in Washington and the ancestor of the variety of programs now funded by the state.

The recommendation of a coordinating board represented a compromise between the alternatives considered by TACPHE as it attended to the governance issue, particularly the widely perceived need for improved planning and accountability. The range of options before it were a single higher education governing board for all of the public colleges and universities, on the one hand, and continuation of the then present arrangement of decentralized and voluntary institutional relationships, on the other. A statewide coordinating board somewhere in the middle was the compromise. It is perhaps most quaintly illustrated by the arguments over what to call the agency director. 'Executive Director,' 'President,' and 'Chancellor,' among others were discussed and rejected in favor of the statutory title of "Executive Coordinator." The deputies were designated "Deputy Coordinators." 'Coordinator' is not a title that ranks very high in the academic nomenclature.

A second series of compromises revolved around the authority of the new coordinating board. It could have essentially advisory weight or it could have regulatory power. The difference between the two was signified by the difference between *recommending influence* and *approval authority*. The legislature chose the former. The new CHE was charged to perform a number of tasks, but it was for all intents and purposes to be a recommending board.

This remained the situation for the seventeen years of its existence. The CHE had only the power to review and recommend. It could examine proposals for new degree programs, and it did so, but it could only recommend for or against their establishment. It could engage in comprehensive higher education planning, but it could only recommend policies. It could review institutional budget requests, but it could only recommend levels and programs on the basis of their alignment with the statewide plan.

The early years of the CHE proved especially interesting in terms of the interpretation of this role. During this period the new agency took its cues from the legislature. While many legislators had not been comfortable with the idea of a central or statewide governing board, they also wanted the institutions to understand who was in charge (i.e., the legislature). The distinction between review and approve, as far as the CHE was concerned, turned out to be insignificant. When disagreements occurred, the legislative consensus tended to favor the CHE. With such consistently strong legislative support, the council's recommendations were tantamount to approval. If the Council recommended against a program proposal, for example, the program would be withdrawn or otherwise dropped. There were no exceptions.

In 1975 the CHE delivered the state's first comprehensive six-year plan. During this period the CHE, which was evaluated several times by outside experts brought in by the board members to perform the task, was widely regarded as one of the strongest statewide boards in the country, although on paper, in this case RCW 28B.80, it was one of the weakest -- so much for the consequence of structure.

These years constituted a distinct phase, but times, events, and conditions were changing. In 1972, Congress enacted the *Higher Education Amendments of 1972*. Section XII of those amendments required states to establish or designate single state postsecondary education planning agencies in order to qualify for federal planning and other funds. Congress obliged these agencies to be representative of a wide spectrum of postsecondary interests. This led to a change in the CHE's membership structure during the 1975 legislative session.

The original Council had been composed of nine citizen members appointed by the governor with the advice and consent of the Senate; these were the voting members. The six public four-year institution presidents, a private college president, a representative of the governor's office, the head of OFM (then OPPFM), four legislators (two from each house), the director of the SBCTC (then SBCCE), and the OSPI served as *ex officio* members of the board with advisory authority – according to statute, they would have “voice but no voting power” [28B.80.050].

The 1975 revisions replaced the six public institution presidents with the chair of the Council of Presidents, who would represent these institutions, added the director of the then Commission on Vocational Education, and placed a representative of postsecondary proprietary education on the board. The four legislators were taken off.

The other advisory members – SPI, the SBCCE director, etc. – remained on the board. One of the Council’s nine public members would have to be a full-time undergraduate student.

Also as part of the package the legislature changed the Council’s name to Council for *Postsecondary* Education (CPE), designated it the state agency for federal higher education planning purposes, and authorized all members – now numbering 16 – to have voting authority on matters involving federal postsecondary planning functions. With time this would become increasingly broadly interpreted.

Other changes were occurring. The Council’s administrative responsibilities with respect to such matters as student financial aid program management – both the number of programs and the funds involved -- increased progressively. Baccalaureate institution registration (licensing), institution approval and monitoring for the Veteran’s Administration, were among the new administrative tasks, and there were others. Some programs provided funds for staff to perform the required tasks, but others did not. In any case, internal program management cut more and more into the time of supervisory staff, and rule making and administrative oversight cut more and more into the time of board members, and into the time available for policy discussions at board meetings. The board’s capacity to consider and debate higher education policy matters was affected directly, and members began to realize that such deliberation was a commodity in decreasing supply.

Implementation of the Council’s own planning and policy decisions also had an affect on its capacity. When it created institutional service areas, for example, it also had to define, implement, enforce, and evaluate them. Roles and missions also needed to be defined, assigned, and monitored. This required staff time. This aspect of coordination also required contributions of stakeholders, usually as participants in advisory committees. As a result, more and more staff effort was redirected from policy analysis into oversight, and monitoring, and committee staffing.

Probably less noticed but certainly of some effect was the fact that legislative staffing capacity also was expanded greatly during these years. This was a national phenomenon, as legislatures throughout the country increased their policy research capability. Simply put, while the legislature continued to look to the Council for data and policy recommendations in the postsecondary realm, it was developing its own policy research capacity.

Coordinating boards are not blessed with natural constituencies. They do not have graduates and alumni associations, and they may not routinely look to the parents of students for backing (indeed, these constituencies more often than not align with the institutions when there are disputes). These boards are expected to represent the public interest over that of the institutions – a specific charge in the HECB’s enabling statute – but the public interest can be difficult to define and aggregate, and sometimes hard to come by. If coordinating boards ally too closely with the institutions they are expected to coordinate, they are likely to undermine the trust of the legislature. If they

go too far to the other extreme they annoy not only people in the colleges and universities, and members of their governing boards, but also segments of the public whose interests they are expected to represent. It is easy to understand why they try to stay on the good side of the executive and legislative branches, and it is easy to understand how they can get into trouble when they fail to do so.

The Establishment of the HECB

As the CPE approached the end of its second phase – the postsecondary education phase – it was increasingly clear that it was falling on hard times. The recession of the early 1980s and a difficult fiscal climate contributed to uncertainty. By 1983, the legislature, its Joint Legislative Committee on Higher Education Governance, and its second blue ribbon committee on education – the Temporary Committee on Education Policies, Structure, and Management (the “3609 Committee”) - were again looking at higher education governance.

For its part, the 3609 Committee, directed by its statute to consider higher education governance, retained outside consultants Dr. Lyman Glenny and Frank M. Bowen. In their report to the Committee, *Toward A New Beginning: Balancing Local Control With State Coordination and Governance* (August 31, 1984) they offered this impression:

“The responsibilities of [state higher education agencies] vary from state to state, but their purpose is to coordinate the activities of the colleges and universities so that instruction, public service, and research give priority to state interests, while leaving as much freedom as possible to institutions to develop in ways that will keep them lively and enterprising. States often recognize the need for coordination, but find legislatures unwilling to delegate powers to the state higher education agency to achieve greater cohesiveness of the system as well as more efficiency and accountability. Washington is such a state. “

They stated that Washington’s system of higher education was out of balance. The political decision-makers and their agencies were exercising detailed controls over campuses without an explicit framework for their decisions. Colleges and universities were setting their own courses independently with minimum guidance from the state. Most of all, the state coordinating board, the CPE, was experiencing a loss of credibility. As a result of that, *de facto* authority and responsibility had moved away from the middle ground typically represented by the agency. They concluded that while the state should retain its present governance system of separate boards for each institution, it should reconstitute the coordinating board. They recommended that the board have approval rather than recommending authority, and they called specifically for the assignment of express authority for the new board to approve programs, off-campus centers, and new physical facilities. Such changes were expected both to clarify the

legislature's expectations of the new board and to give it the authority to fulfill them. Interestingly, they also recommended that the chief executive officer – the 'Executive Coordinator' -- carry the title of 'Executive Director.'

There was a convergence of opinion on such matters as the work of the joint legislative committee and the 3609 Committee culminated in the 1985 legislative session. Bills initiated in each house were passed, and the CPE was thoroughly reconstituted. The elements of its new authority are described in the following section. The major change was that it no longer would be an 'advisory' or 'recommending' board. The new HECB was given approval authority in almost every important particular. It was rendered into a very strong coordinating board with virtual regulatory authority. Indeed, as its authority is described on paper, it placed among the strongest statewide agencies in the country, whether these are coordinating or governing boards.

The Planning and Policy Responsibilities of the HECB

The statutory predicate for the HECB is the legislative declaration stated in the 1985 version of RCW 28B.80.320. It is similar to the CHE's. "The purpose of the board is to provide planning, coordination, monitoring, and policy analysis for higher education in the state of Washington in cooperation and consultation with the institutions' autonomous governing boards and with all other segments of postsecondary education, including but not limited to the [state board for community and technical college education...] The legislature intends that the board represent the broad public interest above the interests of the individual colleges and universities."

Several aspects of this purpose statement are noteworthy: The first is the role assignment: "provide planning, coordination, monitoring, and policy analysis for higher education . . ." A second is that this be done "in cooperation and consultation" with the other higher education boards and segments, thus offering a clue to the definition of 'coordination. The words "*autonomous governing boards*" appear in this version as they did in the initial CHE version. A third is the statement of intent that the board represent the broad public interest above the interests of the institutions. This component of the statute rather clearly denotes a legislative expectation that the HECB be an instrument of government rather than an advocate or representative of higher education.

Expectations concerning the specific duties, and to some extent the approach, of the HECB also are found in comparatively explicit detail in Washington statutes. The board has been assigned central functions with respect to planning. It is required to establish role and mission statements for the (public) four-year institutions and the community and technical college system. It is obliged to identify the state's higher education goals, objectives, and priorities. It must prepare a comprehensive master plan that addresses state needs (in specified categories); demographic, social and economic trends; and attendance, retention, and dropout rates. In considering the needs of state residents for higher education services, it must apply its initial priorities to

heavily populated areas underserved by public institutions. The plan also must contain recommendations on enrollment policies to meet the identified needs and guidelines for continuing education, adult education, public service, and other higher education programs, and it should specify mechanisms through which the system can meet the hiring needs of employers embarked on industrial projects that are state-wide in character.

The statutes called for submission of the initial master plan by December 1987 and for updates every four years. In an interesting statement that may be unique to Washington, they require the legislature to hold hearings on the plan, and unless legislation is enacted to the contrary, by concurrent resolution to adopt it as state higher education policy. This is a linkage between planning and policy with extraordinary potential.

Other mandated HECB responsibilities include review, evaluate, and make recommendations on operating and capital budget requests, including supplemental budget requests, from the public institutions and the community colleges with respect to their congruence with the master plan and with guidelines on board fiscal policies. The agency must recommend legislation affecting higher education. It must recommend tuition and fee levels and policies based on peer institution comparisons, and establish financial aid policies, also based on peer institution comparisons. It is to prepare recommendations on merging or closing institutions and develop criteria identifying the need for new baccalaureate institutions. It has new degree program approval authority with respect to the public four-year institutions, and it has review and recommending authority with respect to existing on-campus and off-campus programs. The board is required to approve and develop guidelines for higher education consortia and centers, and approve the purchase or lease of off-campus facilities for all types of public institutions. It is to establish service areas and approve contracts for off-campus programs.

The HECB's enabling statute also provides direct reference to coordination, perhaps reflective of a legislative effort and concern that also may be unique to Washington. The section on coordination (RCW 28B.80.350) was included in the 1985 statute reconstituting the board (i.e., replacing the former Council on Postsecondary Education with the HECB). It suggests an attempt on the part of the legislature to correct what might have been an omission in the original, 1969, enabling act, which, although establishing a coordinating board, aside from an indirect reference in the purpose clause, did not mention coordination. The key statement is the following:

“The board shall coordinate educational activities among all segments of higher education taking into account the educational programs, facilities, and other resources of both public and independent two and four-year colleges and universities. The four-year institutions and the state board for community and technical colleges shall coordinate information and activities with the board.”

This statement also is followed with a list of particulars: promote inter-institutional cooperation; establish minimum admission standards for the four-year institutions; establish transfer policies; adopt rules implementing statutory residency requirements; administer reciprocity agreements with bordering states and British Columbia; review and recommend compensation policies for administrators and faculty using peer institution data; monitor higher education activities for compliance with state policy; arbitrate disputes among institutions (in which cases the decision of the board is binding); establish a state data system; make recommendations to increase minority participation, etc.

Institution responsibilities in this context are defined later in a section added to the board's statute (RCW 28B.80.610) in 1993. In this case, the institutions are obligated to develop strategic plans under the board's guidelines, (in the case of the four-year institutions) provide information in a timely manner, provide student financial aid programs in concert with state policy, and operate as efficiently as feasible within their missions and goals. The HECB is responsible for delineating and coordinating the institutional plans, preparing reports to the governor, legislature, and public, administering state student financial aid programs, and assisting institutions in improving operational efficiency. This section also states that the SBCTC shall be the coordinator of institutional plans for the system and the entity responsible for providing information about the system to the HECB.

Last, the board has a number of administrative functions and duties, most of which pertain to student financial assistance programs and various federal programs. The HECB is statutorily expected to perform its policy and planning duties in consultation with independent higher education institutions, "when appropriate." [RCW 28B.80.330). Its principal relationships with these institutions, however, have centered on its responsibilities to administer the student financial assistance programs. These administrative duties are generally outside of the scope of this report; hence, for the most part, the discussion is confined to relationships between the HECB and those systems and institutions resident in the public sector.

The fifteen years following 1987 - when the HECB debuted - and 2002 display remarkable parallels with the first fifteen of its predecessor. In each case the initial period is characterized by vigor and activity, followed by the acquisition of additional administrative responsibilities and program oversight, then followed by enervation in the policy role. Meanwhile, detractors increase and a constituency becomes ever more difficult to retain. It is a cliché, but the period between 1987 and 2002 seems like *déjà vu* all over again.

A thesis of this paper is that times and situations change, but statutory assignments of authority, almost by definition, change more slowly. While the structure and functions of the HECB have their parallels in other states, a subject examined in the following section and more fully in the appendix, reliance on structure and function alone cannot guarantee persistent effectiveness.

Functions and Purposes of State Higher Education Boards

Much has been written of the functions typically assumed by statewide higher education boards. Lyman Glenny has argued that effective state-level planning and coordination in higher education involves representation of the public interest. Thus, the degree to which a coordinating board injects the public interest into statewide planning or in its interactions with institutions is 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. These are important effective, as distinct from statutory, statewide agency functions.

Regarding other political functions, in their book Dick Richardson, Kathy Bracco, Pat Callan and Joni Finney report that all states emphasize access, equity, quality, efficiency, and reasonable choice. They expect higher education to contribute to state economic development goals, and that it remain affordable. They insist on reasonable productivity and that institutions give priority to state residents. They want undergraduate opportunities that meet students' needs and encourage them to complete and graduate within a reasonable period. These are common interests and at least implicit state goals across the country.

Glenny 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 states with the strongest statewide agencies to providing occasional advice on policy matters in others.

Some consideration of the changing environment in which higher education operates also is necessary if the system is to stay relevant. In view of the rapidly changing nature of the environment for higher education in Washington, this is a particularly important concern.

In Glenny's view, even those state boards with important statutory authority do not always apply them to all of their institutions, all of the time. Rather, the exercise of authority is dependent on the objectives of the executive officer and the board. Until recently, structurally and functionally weaker statewide boards were not considered very effective. Lately, with the massive changes occurring in American society, industry, and the economy, some of the stronger boards, those with clear authority over the institutions, have begun to decentralize and give more control back to the colleges and universities to allow them to adapt to the new environment. The apparently weaker

boards, which by circumstance have already allowed such freedom, find little need to change their powers or the degree of their application. In terms of its authority, Washington is listed in the stronger statewide agency column, and there is interest in some form of decentralization here.

Some of the more important powers involving control of institutions and subsystems are described here. But it needs to be emphasized that many boards are starting to question the effectiveness of regulatory efforts and how their emphasis on micro-management diverts attention from macro issues. Glenny's comments are still instructive. In his view, statewide board functions often include authority to:

Approve new programs of instruction and to disapprove existing programs on its own initiative. This power developed in the 1960s and 70s but is being modified as states recognize the need for institutions to be positively responsive to changes in their local economies, particularly as new technologies and industries impose high demands for the trained, skilled manpower and to rely on the local higher education institutions for this purpose. The most successful have the freedom to make non-traditional adjustments in programs, in the places chosen to offer training, and in the instructional staff employed. Students may enter on their own initiative and come and go as they complete one or two courses directly applicable to their work or expected employment. Formalized degree programs may not be seen as the only way for an institution to offer instruction or for students to ready themselves for employment.

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.

Review submissions for new capital construction and for redoing existing structures. This also typically is done with the participation of institutional professionals.

Establish, maintain and modify a data system that can be used to carry out any of the above powers. Such systems are usually established in conjunction with technical and policy representatives of the institutions and systems. Without such involvement and cooperation, information requests from the board may be resisted, and smaller institutions may not have the staff to reply. Good cooperation is essential.

A summary list of central governance functions is presented in the appendix.

Glenny's emphasis on cooperation is noteworthy. Reliance on top-down directives and micro-management is fading and the stress on collaboration is growing. The environment for higher education has changed dramatically since the 1960s and 1970s, when many statewide boards were established. This has important implications

for not only the sorts of things these boards do, but also for the manner in which they do them: the new emphasis is on delegation and cooperation.

Higher Education Governance Systems in Other States

There are different ways states organize, but one must appreciate that statewide higher education entities are a comparatively recent historical phenomenon. In a 1985 SHEEO paper, "State Coordination of Higher Education: The Modern Concept," Lyman Glenny identified two broad forms of statewide 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."

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*, the last of which is distinguished by the general absence of any clear formal governing or coordinating authority. One problem with these distinctions is that some states could be classified into more than one. Depending on how one views them, two states, Delaware and Michigan, fit rather clearly into the last category, and a few others come close. The remaining 48 divide into "Governing Board" and "Coordinating Board" states.

Statewide governing boards have governing responsibility for the public institutions in their states' systems. That is, they have all the rights and responsibilities of a corporate board as conveyed by law. Some are constitutionally grounded (as are some coordinating boards): they have authority to hire, compensate, and fire chief executives of the institutions that compose the system, prepare a budget and allocate resources, establish faculty and other personnel policies, manage assets, award degrees, and so on. Some also serve as the *de facto* state higher education planning agency, although few centralized governing boards perform this well.

Coordinating boards typically do not manage institutions. They do not have corporate status in the governing board sense. They hire, compensate, and can fire their own chief executive and staff but not those of the institutions. They are supposed to focus on state needs and priorities rather than those of the institutions. The extent to which they have budget review, program approval, or other authority, determines whether they are "regulatory" or "recommending" boards.

Within these broad groupings virtually every state's configuration is distinctive. According to Aims McGuinness' descriptions, all of the two main forms (again, only two are planning agency states) can be organized into subtypes. In the interest of simplicity, Governing Board states, of which there are 23, generally operate under one or two

state-level governing boards. Ten of the Governing Board states have a single governing board for all of higher education; thirteen have two or more 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. For the purposes of this discussion, 25 are classified as coordinating board states, which can be divided into those states wherein the board has program approval and an authoritative budget role or those with recommending authority. More detail on the states and these categories appears in the report’s appendix

Recent Reorganizations

There have been some comparatively recent cases in which states have reorganized or restructured their statewide higher education agencies. It is worth a pause to take a brief look at reorganizations in Oregon, New Jersey, Florida, Minnesota, and West Virginia. The following summaries are based in large part on the work of Aims McGuinness for the Education Commission of the States.

Oregon: In the late 1980s, the Oregon Educational Coordinating Commission was disbanded and replaced with the Office of Educational Policy and Planning as a unit within the Office of the Governor. The executive officer was appointed by the governor and served at the governor’s pleasure. The office was given statutory authority to review all new and existing programs and their delivery sites for consistency with statewide policy. It also was given responsibility to review the budgets of the educational components and make recommendations to the governor. It was assigned statewide strategic planning responsibility, with which the Board of Education and the Board of Higher Education were directed to cooperate.. It also was required to maintain a central database and each higher education governing board was required to submit a long-range plan for its review and coordination.

This experiment with gubernatorial higher education planning and coordination was short-lived, lasting about two years. Although the office had a strong initial presence, it did not sustain a role as a significant player in Oregon higher education, and observers note it soon ‘passed without a whisper.’

New Jersey: The state mentioned most frequently in conversations about higher education decentralization is New Jersey, as it was this state that for all intents and purposes in 1994 moved decentralization from discussion to reality. Before this change the coordinating board in New Jersey -- Board of Higher Education/Department of Higher Education (BHE/DHE) -- was classified as a strong regulatory board in that among other things it had authority over institution salary and personnel policies. New Jersey’s changes were based on a proposal to restructure the state’s higher education system issued by Governor Whitman shortly after her election in November 1994. The Governor’s proposal featured decentralizing governance 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 via a system of planning and coordination exercised through a presidents' council. Interestingly, this was the approach in Washington in the mid-1960s prior to the creation of the CHE.

A presidents' council composed of the president of each state-supported institution was established as an advisory board, but it did not become the statewide planning agency. Rather, the legislature created the Commission on Higher Education and assigned to it 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 original emphasis on decentralization and increased board authority was retained

Florida: A 1998 constitutional amendment that was intended to become effective in January 2003 eliminated the State Board of Education (SBE), which was over the Board of Regents, and had been the chief education governing body in Florida for 150 years. Had the change prevailed, the Florida Board of Education, composed of seven members appointed by the governor, would have replaced the SBE. The goals were decentralization of university governance to allow universities more flexibility to adapt to local needs and the changing marketplace and development of a seamless education system that encompassed all sectors. Each of the 11 state universities was given its own governing board. Among other changes Florida established a P-20 system. The Articulation Coordinating Committee was given responsibility for student transfer and articulation matters between schools, colleges, and universities.

In November 2002, voters approved a constitutional amendment that undid many of these changes and constitutionally established a new state-level governing board for the public universities. Institutions will retain their own boards but these will have only the powers the new Board of Governors delegates to them. Community colleges, which have their own boards of trustees, would not be affected by the change. The relationship of all of this to the P-20 system and the Articulation Coordinating Committee is not clear. The state Board of Education will continue, but it will have no authority over the universities. The new Board of Governors, constitutionally vested, is expected to be more powerful than the old Board of Regents, which did not have constitutional authority.

Minnesota: The Minnesota Higher Education Coordinating Board was abolished by the legislature in 1995 after thirty years of operation. This organization had become encumbered with administrative and program management responsibilities and was no longer a key player in the higher education policy arena in that state. It was replaced with two multi-campus governing boards: the legislatively-appointed 12 member Board of Regents for the University of Minnesota, which has constitutional authority for the state's four public universities; and the 15 member governor-appointed Board of Trustees of the Minnesota State Colleges and Universities. The latter governs the state universities,

community colleges, and the former technical colleges. Each board has planning and coordination responsibility, institutional budget review, and program approval for the institutions in their sectors. Many of the coordinating board's administrative responsibilities were transferred to a new Minnesota Higher Education Services Office.

West Virginia: In 2000, the legislature eliminated the Board of Trustees of the University System of West Virginia and the Board of Directors of the State College System and replaced them with the West Virginia Higher Education Policy Commission, a coordinating agency composed of nine members, seven of whom are appointed by the governor, and two of whom, the Secretary of Education and the State Superintendent of Schools, are *ex-officio*. The Commission is responsible for 'developing, gaining consensus around, and overseeing the implementation of a public policy agenda for postsecondary education. It also administers student financial programs and governs the vocational-technical institutes. It has licensing and approval authority for private degree-granting institutions and proprietary schools. A legislative innovation in this state that is of direct relevance to this report is the use of institutional compacts with the institutions as an aspect of the appropriations process.

It is difficult to discern a consistent theme among these changes. Decentralization is a possibility. References to deregulation, flexibility, and adaptation were frequent in the supporting documentation, but frustration also was in evidence at the time of most of the changes. Sometimes this was directed at the statewide agency head; sometimes at the statewide higher education organization itself. Sometimes it reflected disgruntlement over bloat, an impression that may have formed as these organizations assumed more and more program administration functions and acquired staff to manage them. At the time of the Minnesota change, for example, out of an agency staff of some 70 FTEs, only 1.5 could be attributed to the policy and planning component of the agency's role.

These changes were unlike the reorganizations that transpired or might have transpired a few years earlier. While in most cases some replacement state-level planning and policy organization was created, and arrangements were made for the continuation of program administration, the changes were not limited to choices between a conventional statewide coordinating or governing board, on the one hand, or a regulatory or recommending coordinating board, on the other. Rather, they were distinctive to each state.

Different Governance Forms and Measures of State Performance

Before leaving the discussion of structure and function, it may be useful to consider them in the larger context formed by the question: Is there a correlation between how states organize themselves and how they rank in national grading systems? Four states, Michigan, New York, Illinois, and Ohio are examined, along with Washington, as examples of states that have employed different approaches to

statewide governance. Michigan has no central agency; New York has a central governing board (although it also has a coordinating capacity in the Department of Education); Illinois has a strong coordinating board; and Ohio has a state Board of Regents which functions as a comparatively affable coordinating board that must operate in a milieu of single- and multi-campus governing boards. Some of their features are described in the appendix.

In an effort to see if these different approaches to governance are associated with variables of interest to higher education policy makers, these four states and Washington were examined in the context of the scores earned in two current national state-by-state indices. A report that views the higher educational efforts of all of the states in a comparative contemporary framework, employing the same data for each, is the National Center for Public Policy and Higher Education’s [NCPPE] report, *Measuring Up 2002: The State-by-State Report Card for Higher Education*. This report awards alpha grades to states for their performance *vis-à-vis* their citizens with respect to *Preparation* for college, *Participation*, *Affordability*, *Completion*, and *Benefits*. Although the NCPPE does not combine grades into an average, and encourages others not to do so as well, in the interest of brevity a ‘Report Card grade point average’ has been calculated for each of the five states on the following table.

A second report, also updated this year, is *The States New Economy Index*, (Robert D. Atkinson, Randolph H. Court, and Joseph M. Ward, which scores states according to 21 economic variables, including workforce education, education level of the workforce, education level of the manufacturing workforce, percentage of population with online access, technology in schools, scientists and engineers as a percentage of the workforce, number of patents per capita.

The five states line up as follows:

	New Economy Index Score	NEI Rank	Report Card GPA
Michigan	59.9	23	2.5
Illinois	64.6	17	3.1
New York	69.2	10	2.3
Ohio	56.4	30	1.8
Washington	86.2	2	2.6

Washington does well, comparatively. Its New Economy Index score, highest of the five comparison states, ranks it second in the nation, below Massachusetts and above California. Its Report Card GPA could be higher—it gets a ‘C-’ in Participation

and in Affordability, an 'A-' on Completion and a 'B' on Benefits -- but among these five states it ranks second only to Illinois.

It would be a stretch to argue that the structure and functions of any state's form of governance are responsible for its NEI Score or Report Card grade point average. Yet, the states with the highest NEI scores in the country, Massachusetts, Washington, and California, respectively, are all coordinating board states. Of the top ten states on the NEI 2002 ranking, nine are coordinating board states. This could be a spurious correlation. It also may be a reflection of the fact that coordinating boards tend to stress elements that contribute to a state's placement on the scale, considerations such as workforce training, access to higher education, participation, etc., more than statewide governing boards, which tend to be more inwardly focused on institutional management matters.

Regardless of this tantalizing possibility, the more obvious conclusion is that there is no 'right' way to organize governance systems. Each state will devise and be responsible for its own arrangement, and none of these arrangements will have much external validity. When they fail to work as expected or other considerations apply, the states either will make them work or alter their systems to fit the new needs. When this happens, the key is not likely to be either the structural or functional configurations, but the relationships with its colleges and universities the state values and the approaches it adopts to develop and sustain them.

COLLABORATION AND ADAPTATION

“It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change.”

Charles Darwin

The Changing Environment for Higher Education

The environment for higher education is changing. The HECB Year 2000 Master Plan refers to economic changes throughout the country, to the fact that Washington mirrors national patterns, and to the new information economy. Further references apply to higher education’s competitive environment, to workforce training, and to quality of life for people who live and work in the state. Differences in the higher education opportunities of residents of urban and rural areas remain a problem, as is access for many who lack the necessary financial resources. A close connection between education levels at all levels and economic growth is clear. The relationship involves all types of institutions, technical colleges, community colleges, and universities, and it concerns residents of all areas of the state.

These carry important implications for virtually every aspect of higher education, from improved access for residents to whom is doing what for whom, where, and how. They also carry implications for how systems are governed or regulated, in this case not so much in terms of the organizational form as in organizational style.

As social, economic, and entrepreneurial issues make their way into the discussion, an interest in shifting from regulation towards a new reliance on collaboration and market forces emerges, and this is having an effect on governance systems. State strategies with respect to their colleges and universities are adjusting, from a policy focus on traditional providers and clients -- public colleges and universities, recently graduated high school students, and on-campus students -- to a broader set of customers and providers representing a much expanded spectrum of society and wider conceptions about where and when education occurs.

Aims McGuiness and the Education Commission of the States describe some of these as shifts in the underlying assumptions about a state role in postsecondary education:

SHIFTS IN THE UNDERLYING ASSUMPTIONS ABOUT A STATE ROLE IN POSTSECONDARY EDUCATION

(Source: Dr. Aims McGuiness and ECS)

<i>A SHIFT FROM:</i>	<i>TO:</i>
Rational planning for static institutional models	Strategic planning for dynamic market models
Focus on providers, primarily public institutions	Focus on clients, students/learners, employers and governments
Service areas defined by geographic boundaries and monopolistic markets	Service areas defined by the needs of clients served by multiple providers
Tendency toward centralized control and regulation through tightly defined institutional missions, financial accountability and retrospective reporting	More decentralized management using policy tools to stimulate desired response (e.g., incentives, performance funding, consumer information)
Policies and regulation to limit competition and unnecessary duplication	Policies to “enter the market on behalf of the public” and to channel competitive forces toward public purposes
Quality defined primarily in terms of resources (inputs such as faculty credentials or library resources) as established within postsecondary education	Quality defined in terms of outcomes and performance as defined by multiple clients (students/learners, employers, government)
Policies and services developed and carried out primarily through public agencies and public institutions	Increased use of nongovernmental organizations and mixed public/private providers to meet public/client needs (e.g., developing curricula and learning modules, providing student services, assessing competencies, providing quality assurance)

The ECS paper notes that “During the recession of the late 1980s and early 1990s, some states reverted to the more regulatory approaches reminiscent of the recession in the 1970s, but as the economy recovered, the basic trends begun in the 1980s reemerged [in the 1990s].”

“New Economy” observers describe differences between the old and the new economy in terms of changing markets, competition, and organization. The differences are dramatic. How these changes affect higher education was described by Arthur E. Levine in an article in *The Chronicle of Higher Education*. 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 are 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.”

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.” It is worth mentioning that Colorado and the public institutions there are considering a higher education voucher program.

In his paper on “Prospective Governance,” Darryl Greer states 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 familiar. 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 disinvest, and do so with public support, consumers will demand more, principally because of higher education’s importance to economic opportunity, particularly for their children. 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 more 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.

These trends have the potential to transform higher education; existing governance structures alone may not be sufficient in the developing environment. Greer notes that these arrangements, i.e., the existing governance structures, 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 institutional values and authority and have evolved to maintain the status quo.

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

A new policy emphasis is required, one that reflects a change in the relative importance of regulatory and incentive strategies to attain public policy objectives, on the one hand, and greater institutional flexibility to respond rapidly to changing needs and demands, on the other. If colleges and universities are to adjust 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 governance and accountability will be required.

The Seeds of a New Compact

It is apparent that many in Washington subscribe to a view that the state struggles too hard to impose and maintain a regulatory relationship with its colleges and universities. This is not a new thing. A report on Washington prepared in 1994 for ECS, based heavily on interviews with the same sorts of people interviewed recently by the WSIPP, argued that approaches to centralization and regulation then extant in the state were changing steadily and had been doing so for some time. This observation continues to apply today. The study found that the policy environment then was strongly influenced by widespread awareness of limited resources and higher education's diminishing share of the budget. These contributed to a growing reliance on tuition, grants, and other non-tax sources for higher education funding. There were quests for local tuition-setting authority by the institutions and legislative calls for evidence of faculty productivity and cost containment measures. The results were mixed messages for increased institutional autonomy, on the one hand, and greater external control, on the other.

Many felt that higher education was and is granted a relatively high priority among public services, although they also recognized differences in how the state's institutions and sectors are viewed. The University of Washington, Washington State University, and the community college system were believed to have more public and political support than the other sectors. Most also believed higher education was afforded more operational latitude than state agencies. The different status of higher education seemed rooted more in tradition than in the legal system, since there is virtually no definition of institutional autonomy to be found in statute or the Constitution.

When asked to identify the major external constraints that hinder institutional operations, spending constraints and reporting requirements were the problems most frequently mentioned by people in the colleges and universities. Many who worked at the state level were more willing to cite internal (institutionally-based) than external

requirements as conditions inhibiting responsiveness. References to the dampening effects of academic tenure on institutional operations by these people, many of whom were associated with state government, were frequent.

People agreed that fiscal more than educational considerations influenced higher education policy development in the state, but they also insisted that this was not to the exclusion of educational considerations. Opinions varied on whether higher education policies were developed incrementally or comprehensively. Some felt there had been an increase in collaborative planning since the coordinating board was reconstituted in 1985. There appeared to be more acceptance of centralized planning than was the case during the 1970s. All of these themes were echoed in the WSIPP's 2002 interviews.

The 1994 reactions to the notion of a *New Compact* with higher education, in which the state would avoid micro-management in exchange for regular evidence of compliance with state priorities, were favorable. Washington's relationships to its colleges and universities may not be as *laissez faire* as in some other states, but there was little evidence of pervasive contentiousness.

"Populism" is a strong value in Washington, and higher education according to the 1994 interviews was held in high public regard, widely considered an important social priority. Much of the frustration encountered among public officials stemmed less from an inability to control the enterprise than from the fact that competing demands from "entitlement" programs (K-12, corrections, etc.) rendered it difficult to provide higher education with the resources many felt were necessary. The resource demands of other public service areas were seen to increasingly conflict with those of higher education. Additionally, public initiatives to constrain legislative spending decisions and control taxes, coupled with media exposures of profligate agency practices, contributed to the frustration of legislators, legislative staff, and college officials.

A New Compact as Policy

In 1993, the New Compact became more than an abstract discussion point when RCW 28B.80.610 of the HECB statute was amended to clarify the distribution of higher education responsibilities. It is explicit in the following statement of legislative policy that appears in the notes for that section:

The legislature finds a need to redefine the relationship between the state and its postsecondary education institutions through a compact based on trust, evidence, and a new alignment of responsibilities. As the proportion of the state budget dedicated to postsecondary education programs has continued to decrease and the opportunities for the state's citizens to participate in such programs also has declined, the state institutions of higher education have increasingly less flexibility to respond to emerging challenges through innovative management and programming. The legislature finds that the state has not provided its institutions of higher

education with the ability to effectively achieve statewide goals and objectives to increase access to, improve the quality of, and enhance the accountability for its postsecondary education system. [Emphasis added]

The amendment went on to declare it a policy of the state to create an environment in which the institutions would have the authority and flexibility to meet statewide goals through decisions and actions at the local level: hence, a *New Compact*. Enrollment lids would be lifted, quality would be defined by results, and the state would get out of the business of micromanagement. This policy would be pursued through a system of coordinated planning and feedback.

Implementing a new compact through coordinated planning proved to be placing a lot of the weight on a slender reed. The lack of a more explicit and direct operational step may be why the idea seems to have dropped from the radar screen. The HECB's year 2000 Master Plan, ("The 21st Century Learner,") makes no reference to such a compact and only indirect reference to institutional flexibility ("Reward increased institutional productivity with greater flexibility to reinvest savings.") HECB staff report that they adhere to the values expressed in the legislation as they go about their work. Full realization of the new compact through coordinated planning and feedback, as committed to it as these people are, does not seem to have worked. There may be many other explanations why nothing more seems to have happened. One could be a lingering atmosphere of mistrust. That, however, is not an ambience limited to Washington.

Lingering Mistrust

A Public Agenda report prepared for The Futures Project at Brown University, ("Meeting the Competition," October 2002) listed "Academics versus Legislators on the Need for Greater Flexibility and Accountability" as one of the national issues. Mistrust is a factor. According to the report, "Even the way these two groups [legislators and academics] describe the problem is so different that it is hard to imagine they are talking about the same thing."

Different organizational cultures are involved. People who work in the governmental and academic sectors have different values, different ways of approaching problems, different schedules, different perspectives on results, and virtually different languages. These observations were described several years ago in a book by Peter Szanton, *Not Well Advised* (1981, Russell Sage). It is difficult to improve on Szanton's words:

"Most faculty members are trained and accustomed to work alone or, at most, in small groups of scholars in their own discipline. But the analysis of a significant policy problem almost always requires several perspectives and a number of [academic] disciplines. . . Most faculty

members are rewarded only as scholars and teachers, especially the former. The approval they seek is that of their peers, and that depends on the quality and number of their scholarly publications; the informal, non-disciplinary, and often-verbal communications most useful to a governmental client do not qualify. . . . Finally, the roles and powers of university administrators are quite unlike executives in business or government.

"Many [governmental] officials tend to assume that a dean, provost, or president of a university speaks for his institution as a corporate executive or bureau director speaks for his. But academics know that 'universities may have presidents, but presidents don't have universities.' academic administrators rarely deploy significant resources; the usual terms of academic employment mean that faculty members must be enticed into new commitments, and on terms satisfactory to them."

The two sectors may not be able to communicate with, much less understand, each other until strategies that can bridge the gulf are found. Whatever their virtues, state master plans and planning processes are neither designed nor equipped to accomplish this. A more concrete approach is required.

State and Institutional Interests in Decentralization

Clear statements of statewide higher education goals are not extant in Washington statutes, although some may be inferred from references distributed throughout the Code (e.g., facile inter-institutional transfer of credit, inter-agency/institution consultation and cooperation, equitable and adequate enrollment opportunities, high quality services, effective and efficient resource management, accountability, etc.) The more likely routes to goal articulation are the state master plans developed by the HECB, which become *de jure* if not necessarily *de facto* state higher education policy upon adoption by concurrent resolution of the legislature (RCW 28B.330 (4)).

Master plans typically proceed from stated goals, but it is not often that people in government and in the universities accept the same as their own. The HECB's 2000 Master Plan Goals describe a focus on student learning; linking K-12 and higher education; empowering higher education consumers; using E-learning to create opportunity; and helping colleges and universities compete. It would be difficult to object to any of these, but it is certain that if members of the two cultures were to rank them in terms of importance, the respective rankings would be different.

Unleashing colleges and universities to compete might be an exception. Both sectors appear to be interested in this, provided it could be accomplished while

respecting the values of each culture. This will require more than just decentralization – it will require decentralization with accountability.

Talk of decentralization—increased flexibility, even privatization—is encountered increasingly in Washington. It occurs in conversations with legislators, board members, institutional administrators, statewide agency staffs, and students, faculty, and business leaders residents of the communities the institutions serve. It emerges in conversations about top down management from the state level, and sometimes as an example of events working in the business sector that may also work in the government sector.

Examples of exactly how deregulation might take place in Washington’s higher education system are more elusive. If the “what” and “how” are still somewhat unclear, belief that some movement towards decentralization needs to happen is apparent. Such beliefs are not limited to Washington.

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 and the attention getting 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.

It is a concept that cries out for greater definition. Toni Larson, when a graduate student at the University of Denver, noted in her dissertation that deregulation was variously described as ‘privatization, decentralization, devolution, deregulation, or becoming autonomous or independent’ and argued that the language needed to be clarified. Larson defined ‘privatization’ as the total transfer of assets and authority to the private for-profit or non-profit sector (*privatization so defined is not what is being considered here*); ‘Deregulation’ was defined as the lessening of regulatory provisions that govern individuals, entities, and systems; and ‘Decentralization’ involved the shifting of authority downward to the local level.

Centralization and decentralization pressures may operate in a cyclical pattern in relation to resource patterns: when money is tight, states seem willing to extend greater autonomy to institutions; when funding is more plentiful, they seem to want to take it back by imposing stronger procedural requirements.

Decentralization Defined as Procedural Autonomy for Institutions

Another word that requires clarification is ‘autonomy,’ since it also tends to evoke different reactions among people in different the academic and governmental cultures. 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 stated this:

“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.”

The statement paved the way for others to identify the important distinction between *substantive autonomy* and *procedural autonomy*.

Both government and the institutions have interests in the former, which envelops academic matters, including academic freedom. 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, particularly in academic freedom. This aspect of autonomy is not at issue. It is the second aspect of autonomy, *procedural autonomy*, which is central to discussions about degrees of centralization and regulation. The distinction is vital to an understanding of the issue. If the two sectors can agree on what is to be substantively accomplished through the higher education process, and they should if assurances can be provided, then they may be able to agree to allow institutions the procedural, or managerial, freedom to accomplish it.

Decentralization is focused on this aspect of autonomy: allowing institutions to manage their own operations within a framework of shared public and institutional interests. Colorado, Massachusetts, New Jersey, Illinois, Maryland, and Virginia are often considered examples of states in which decentralization, or deregulation is occurring. There are others, although they are doing so to a lesser degree. During the 1992 legislative session in Washington State, for example, 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). This represents an important start on a more complete arrangement, and it provides a good base on which to build.

With its long history of non-regulation, Michigan may not be a good example of deregulation or decentralization, since it has never really attempted to regulate its institutions as the term is used here. 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 for a diverse, high-quality collection of institutions in a competitive environment.”

Among the other exemplary states, Massachusetts, Maryland, and Virginia, tend to be singled out for their attention to one particular approach to decentralization. These initiatives encompass a formal compact between the state and the institution. Although other terms may be employed, this approach is referred to here as the Institution Compact program, and the institutions that participate in it are called Compact Institutions. This is an idea that brings considerable potential to Washington’s situation and needs, and a separate section is devoted to it.

State Compact Colleges and Universities

Berdahl and MacTaggart characterize the years between World War II and now, leading to the presence of regulatory relationships between the state and the colleges and universities, as “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.”

These authors also note “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 also 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.”

It is this cumulative pattern that underlies most calls for other solutions. It is difficult to see how anything will change without decisive intervention. The problem always has been how to do that. The 1993 legislative policy calling for a New Compact with the institutions and for the state to get out of the business of micromanagement is a case in point. It stands as a comparatively clear statement of public policy, and it is contained in the Revised Code of Washington, but beyond this, beyond its presence in the compilation of statutes, there has been no physical instrument for implementation, aside, perhaps, from the admonition that systems of planning and feedback be created to assure policymakers and citizens that progress is occurring.

Other states have pondered the same dilemma – how to allow colleges and universities to operate more flexibly while ensuring the accomplishment of public priorities and accountability, and some new intervention strategies are being tested. One is the notion of Institution Compacts, also called performance agreements, or contracts. Sometimes the term ‘charter’ is applied, but since in higher education colleges and universities are typically “chartered” by statute or other authority, and, in that sense, all are ‘charter colleges and universities,’ another term is needed, in this case, Institution Compact. It involves new relationships, and it is decidedly not a return to the *status quo ante*.

A March 2000 article in *The Chronicle of Higher Education* summarized events with respect to institution compacts in 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.”

Massachusetts is the state in which the idea was first articulated. The year was 1997. Stanley Koplik, then Chancellor of the Board of Higher Education, used the term ‘Massachusetts Vanguard College’ to differentiate these higher education institutions, those that would operate with institution compacts, from others that would maintain a more conventional relationship with the state. His proposal exempting institutions from certain existing state Board of Higher 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. 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); and demonstration that the performance of graduates exceeded expectations, among others.

In what may have been a classic case of culture clash, this initial plan also called for the elimination of collective bargaining and the replacement of faculty tenure with faculty contracts. Only institutions that could demonstrate achievement of all Board of Higher Education standards and meet a couple of other application requirements could qualify. Because of the tenure and collective bargaining abolition features, Koplik's proposal was fatally flawed and did not make it far from the starting gate, although the governor of Massachusetts recently expressed support for the idea, resurrecting it there.

There are five crucial components of an effective institution compact plan, according to Berdahl and MacTaggart:

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.

Second, in exchange for appropriations capped at mutually agreed upon amounts, plus inflation and enrollment growth and freedom from specified procedural controls on how funds are spent, the institution agrees that within its compact period (e.g., five years), it will provide more efficient and effective higher education services. Within the compact period, any substantial drop in enrollment also would lead to reduction in appropriations.

Third, during the compact 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 statewide board and the institution would agree on the performance measures that would be reported and used to evaluate fulfillment of the compact agreement.

Fifth, freedom from procedural requirements would extend to such matters as purchasing, staffing, and privately funded capital construction. State fire, health, safety, auditing, and other vital requirements would continue to apply.

The institution compact plan is relatively new. St. Mary's College in Maryland is the best example of an operating compact college. Virginia also has considered the 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), other words for institution compacts, 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 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 in Virginia were 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. A related goal is to proceed through a collaborative process that involves the state board, the Legislature, and the institutions.

The important features of the Virginia program are represented in its allegiance to the basic concept, its recognition that the performance 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 an institution compact base need not occur 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 extended over time to permanently change the state's relationships with its higher education institutions in a mutually accommodating setting of accountability.

A particular Virginia contribution is the IPA as a tangible link between the concept as an intellectual exercise and its implementation. Another contribution was an insistence that the performance agreement negotiation process be collaborative, one that involves the executive and legislative branches, the statewide agencies (in the case of Washington also including the SBCCE), the state budget office, and the institutions. A less recognized but nonetheless promising component would be a preceding dialogue in which stakeholders debated and agreed upon the goals that should be pursued through the institution compact approach.

Other states also are applying the idea. Colorado has designated the Colorado School of Mines as a 'Colorado Millennium College,' its designation for institutions achieving institutional compact status. In Kansas the Board of Regents has been directed by the legislature to negotiate performance agreements with the public institutions in that state. West Virginia has implemented an institution compact program with its public colleges and universities.

In view of the Washington legislature's previous commitment to a New Compact with the colleges and universities, the plan appears especially worthy of consideration here. It offers a number of returns, the most obvious of which is clarification of the

relationship the state values with its institutions. The HECB would occupy a pivotal place in the process, cooperatively with the legislature and the Office of Financial Management, among others. It would follow trends, identify priorities, operate as a convener, negotiate performance agreements with the institutions (possibly collaboratively with OFM, legislative staff, and, if necessary the Attorney General), and monitor performance agreements. These all are collaborative functions.

Such a program also could provide a concrete purpose for a statewide higher education dialogue about state higher education goals and priorities and a vehicle for their accomplishment. This dialogue should involve more than the members of a blue ribbon commission, and it should be a collaborative endeavor among the executive and legislative branches, the state higher education agencies, the institutions, the customers of these institutions – students, parents, community and business leaders -- and the people who work within them. The debate also should be grounded in an understanding of how the goals and purposes would be pursued – through a new relationship with the institutions signified by the components of the institutional compact plan.

Institutional compacts also could serve as a means to tie performance measures to state goals and expectations and as devices for accountability without micromanagement. As state compact institutions, colleges and universities could be freed from undue regulation. The role of institutional governing boards as the entities responsible to oversee performance would be promoted. Any ambiguity surrounding governance roles between these institutional boards and the coordinating board could be clarified, and the responsibilities for the institutional boards to manage their institutions in the board of director's sense would be strengthened.

Through an institutional compact program, the state also could offer some degree of predictability and stability in funding and managerial freedom, within the fiduciary framework of the institutional board, to apply these funds. With its separately governed institutions and the presence of an institutional governing board in each case to oversee the performance agreements, Washington is ideally situated to apply such a program.

Participation should be voluntary, at least until it were fully established. Governing boards should be allowed to pass it by if they felt the institution was not ready. In this case the present coordination relationships would continue, albeit within a clarified atmosphere with respect to state and public interests and the role of the coordinating board.

The institution compact approach should provide institutions with flexibility to meet competition, pursue state priorities, and respond to their market and service area, client, and customer needs. For these and any number of other reasons, the concept offers potential and promise for changing the governance relationships that have formed in this state, clarifying relationships between the coordinating board and the institutions, improving the atmosphere of trust, and planting the seeds of harmonious change and

adaptation. It is offered as the major and most significant option in the next and concluding section of this paper.

CONCLUSIONS

One of the greatest pains to human nature is the pain of a new idea.

Walter Bagehot

Dissatisfaction with the statewide coordinating boards is common; it comes with the territory. Whether the agency is the cause or the emblem of the problem is always debatable, and opinions on that will be influenced by perspective and geography, with the intensity of the feeling in the case of the HECB inversely proportionate to distance from Olympia. While people in higher education and government in Washington appear to accept the importance of a higher education agency that performs the difficult planning and coordination work that the HECB was designed to provide, some believe it is not doing this well. If there is a consensus among those who expressed their opinions about the HECB and how it has gone about its work over the years, it is that it performs its administrative roles quite well and its coordination, planning, and policy roles considerably less well. Other areas of agreement are more difficult to discern. There is acceptance, however, of a general need for the coordination, planning, and policy roles, and perhaps a smaller circle of agreement that this needs to be the HECB, the only organization at the state level that is empowered and organized to take an independent and comprehensive view of higher education issues.

Not all agreed in the WSIPP interviews that the planning and coordination work needs to be done by an independent state-level board, but suggestions regarding alternatives were sparse, as they were in 1984. Now the call is less for reorganization, structural changes, than for clarity of expectations. The impression that forms is that the people who spoke on the issue are calling for the state and the HECB to take a new look at coordination and to make some mid-course corrections. They are not calling the ship back to port. These views appear to accord with another theme of this paper - that the state and the HECB need to direct attention to improving the Collaborative and Adaptive capacities of the higher education governance system.

These opinions contrast with many that were offered during the evaluation of the CPE in 1984. At that time much of the problem was attributed to the coordinating board's *lack* of authority to accomplish its assigned responsibilities; it was a recommending agency, and the correction then was to strengthen it. The HECB, a *regulatory* coordinating board, was the result.

Many of the other causes of the apparent malaise now, however, are similar to those identified in 1984. Similarities include references to lack of agency prestige, and, a little surprisingly in view of the agency's present statutory powers, its limited role and authority. Budget-driven higher education policy also was mentioned frequently in both instances.

Similarities also are evident among the internal influences. These include such considerations as lack of engagement, leadership and organizational challenges, and staff expertise and credibility. Too tight a focus on either the institutions or the legislature, again depending on perspective, and board composition are other factors.

The solution imposed by the legislature in 1985 was a complete reconstitution of the agency – a new board, new executive staff, and a much clarified and strengthened planning and policy role. An appropriate solution now may be more difficult to discern, since both major approaches to coordination – a recommending board and a regulatory board -- have been tried. It also is complicated by the possibility that the issue of consistent effectiveness has less to do with the coordinating board's organization and authority than with how and whether these are exercised. The cause of that may trace to a lack of a clear set of state expectations vis-à-vis the type and degree of autonomy and the accountability measures that should apply to the colleges and universities. Without a clarified operational framework in these respects, the HECB's exercise of its mission always will be subject to different interpretations.

Public colleges and universities certainly are agencies of the state, but the fact that all of the states have placed lay governing boards between the political sectors and the education entities (K-12 and higher) indicates that these are a different kind of state agency with a role so important that buffers are required between government and the work they are expected to do. This is an established tradition, but it creates complications. Most problems with governance, almost by definition, are associated with this distinction, i.e., that education entities are to be different kinds of state agencies. If the state-institution association is not clear, the mission of the coordinating board, with the assignment of keeping the two sectors working together, addressing the needs and expectations of each, will likewise be hazy and subject to continuous reinterpretation.

Notably, the external factor mentioned most by the respondents during the recent interviews was "lack of legislative and executive branch leadership." This will mean different things to different people, but it is clear that it is government more than the institutions that comprise the HECB's constituency, and it is government that must provide the clues the agency needs if it is to steer a steady course.

The usual solutions that states employ when authorities make a decision to reconfigure their higher education governance arrangements, *viz.* their state higher education board, emphasize structural changes – boards are reconstituted, or reconfigured, and their powers are either further centralized or further decentralized. If the message is that colleges and universities are to be treated as conventional state agencies, the statewide higher education agency is likely to be assigned a controlling or regulatory role and its powers will be defined accordingly in relatively concrete terms. If the colleges and universities are to be treated as relatively independent entities with their own boards of directors, and with some latitude for managerial freedom and flexibility, the central board's role will be tilted to the planning and coordination side of

the spectrum, words that carry abstract connotations, and to changes that will enhance a collaborative rather than an enforcement capability.

Two problems attend these generalizations. First, the message about a preferred state-institution relationship is almost never clear, and even when it is, it is not so for long. Cyclical patterns of coordinating board effectiveness and local governing board alienation form and prove to be remarkably persistent.

In Washington, part of the tension may trace to the purpose clause of the coordinating board's statute and the role and authority descriptions in those of the institutional governing boards. In the case of the coordinating board, for example, the purpose clause contains references to autonomous institutions while the authority clauses assign the final word to the coordinating board in a number of significant areas. Meanwhile, the authority provisions of the institutional boards contain few references to deference to the coordinating board. Indeed, the opposite is more the case. The institution governing boards' authority may be summarized easily, using the Board of Regents of Washington State University as an example: "The regents of Washington State University . . . shall have full control of the university and its property of various kinds." [RCW 28B.30.150] Strain between the missions of the central coordinating board and the institution governing boards is inevitable.

Legislative expectations also change. The preferred state-institution association implied in the 1985 enactments that created the HECB reflected the situation then. An authoritative relationship between the state and the institutions was indicated. As circumstances change, so do expectations. In the comparatively formal framework of government and the Revised Code of Washington, it is difficult to rapidly change statutes, and, accordingly, to maintain continuous congruence between expectations and missions in a changing setting.

Washington has fluctuated in the weight assigned to central and decentralized control in higher education. During the first fifteen years following 1970 there was an emphasis on continued institutional procedural autonomy, and the coordinating board was statutorily constituted and empowered accordingly. Maintenance of such a state-institutional association, however, was affected by an emergent and growing emphasis on accountability. By the mid-1980s, concerns about efficiency and performance reached a point where regard for institutional autonomy became subordinate, and the bias shifted toward treating these institutions more as state agencies. The first coordinating board was ill equipped to accomplish this, and it was reconfigured.

By the mid-1990s, ten years later, the pendulum began to swing the other way as the legislature began to display an interest in a different relationship; this was exemplified by the statutory references to a new compact. The agency's role and mission were not substantively altered to correspond with this. Yet, a need for a clear interpretation, for new approaches to the accomplishment of purposes, and for a different role for the HECB can be inferred reasonably from the comments of those who

were interviewed by the WSIPP staff. The need for further clarification, statutory or other, of legislative expectations is becoming increasingly evident.

Such a need is not limited to Washington. In a recent memorandum [October 2002], Robert Atwell, President of the American Council on Education commented on it when he offered these remarks about governance on the national scene.

There is no single correct state system of governance. The obsession with structures has clouded a need to focus on the real issues of the state's return on its investment in higher education and on planning for how to cope with dramatic increases in the demand for access.

After decades of movement toward the creation of state systems with regulatory and budgetary controls, there is now a movement toward more decentralized systems and more individual institution autonomy.

It is important to distinguish between . . . state-level governing or coordinating boards. [All are being weakened or abolished or becoming less regulatory and more decentralized.] While applauding the deregulation trend, when carried to an extreme, there may be little or no statewide planning and there will be 'mission creep' in which most of the senior institutions strive to emulate flagships, and there will be a free-for-all at the [political] levels in which the politically strongest come out the winners. . .

Mission differentiation is an important public policy function, which should be determined at the system level, supplemented by at least a statewide planning model that assures that no one public institution can define its own mission.

Once differentiated missions are established, institutions should be given broad autonomy and held accountable for the goals and objectives that flow from the mission.

High among the accountability measures for senior institutions would be the success with the transfer function, including but not limited to the access and retention of community college students. Also high on the list would be the access and retention of low-income and minority students.

We believe that any public higher education structure needs to have a planning function above the multi-campus system or individual institution level. However structured, the function should be buffered from [political influences] and [institutional] end-runs.

Such views also are represented in the findings and conclusions of this paper. Rather than a concern with structure, the focus is on context, on the association between the state and its colleges and universities, on government-higher education relationships. It centers on defining the managerial interactions the state wants with its

colleges and universities as a matter of policy. Once this association is made clear and established, the appropriate role for the state's planning and coordinating agency can be clarified. There is an important if somewhat different role for the coordinating board in such a setting, as the emphasis turns from concern with regulatory matters to enhanced collaborative and adaptive capabilities.

The reliance would be placed on institution compacts as the means by which state goals, priorities, and expectations are defined and conveyed, funding and flexibility are provided, performance is monitored, and decentralized governance and accountability are achieved and balanced. There is a very important set of missions for a state higher education agency in all of this.

The state would continue the movement away from a centralized regulation role that it quietly began almost a decade ago when the legislature adopted a new compact between the state and the public colleges and universities as a matter of policy. Under this option, the new compact concept would become operational through formal state-institution agreements that would be used to link college and university performance with policy and performance measures with the agreement. The state would use the HECB as the organization to implement the approach and keep track of its effectiveness.

In exchange for the promise of reasonably steady appropriations at agreed upon amounts and for freedom from specified procedural controls on how the funds are managed, the institution would consent within its compact period (e.g., four, five, or six years) to provide more efficient and effective higher education services in agreed upon ways in accordance with public priorities. The state and the institution also would agree on the performance measures that would be used to evaluate fulfillment of the institution compact. Rather than generalized performance measures, the performance measures would be unique to each institution, and to the state-institution compact.

The concept requires the establishment and maintenance of a clear and coherent state higher education policy framework and for reliance on delegation, budgets, and accountability measures to ensure state higher education policies are being pursued and recognized goals are being accomplished. In this case, the HECB would operate as a "policy" board, as distinct from a "regulatory" board, and within that framework it would participate in a relationship of shared responsibility with all of the sectors, including relevant legislative and executive entities, the SBCTC, and the institutional governing boards.

The public higher education agenda would need to be more clearly defined in order to establish the framework for the institution compacts. This could be accomplished through a focused statewide dialogue or conversation, perhaps the initiation of which could be assigned to the HECB, with effective participation extended to all pertinent sectors. This process would be a little different than earlier similar events in that it would be centered on the institution compact program.

The full details of this program are beyond the scope of this paper, but at this juncture it is reasonable to assume the HECB's initial and iterative roles in sequential order would include:

Helping to define the state's emerging circumstances and needs

Organizing and staffing a collaborative dialogue on state purposes and priorities

Negotiating performance agreements, compact, and performance measures with the institutions and the SBCTC for that system, possibly in association with the Office of Financial Management and appropriate legislative entities

Seeking the agreement of the governor and the legislature

Seeking legislative and executive ratification of the institutional compacts

Monitoring progress on the compacts

Determining compliance using the agreed upon performance measures

Reporting to the legislature and the governor

Briefly stated, this model involves state delegation of as much executive responsibility as reasonable to the institutional and institutional/district board levels within a clarified policy framework. The advantages include the opportunity to link and test a combination of the concepts of decentralization and accountability. Another is clarification of the role and authority of institutional governing boards as boards of directors with responsibility for ensuring their institution's compliance with the contractual obligations apparent in the institution compact. A third is a more sharply focused mission and set of expectations for the coordinating board. A fourth is an increased capacity to participate in the process of defining state expectations for the institutions. The most apparent drawback is that this is a novel and different conception of how higher education should be operated. Although it is being tried at various places throughout the country, it is still a new idea.

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APPENDIX A

THE FUNCTIONS OF STATEWIDE HIGHER EDUCATION BOARDS

The functions and purposes of a higher education coordinating board may be summarized as follows:

- 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 adjustment to emerging demographic, economic, and education trends
- 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
- 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
- Distribute rather than centralize responsibility and accountability
- Employ participatory, as distinct from negotiation, processes
- Promote competition but not be adversarial
- Value effective decision making and communication about outcomes
- Not get in the way of institutions' fulfillment of their basic roles and responsibilities

APPENDIX B

HIGHER EDUCATION GOVERNANCE SYSTEMS IN THE UNITED STATES

There are different ways states organize to perform governance functions, but one must appreciate that statewide higher education entities are a comparatively recent historical phenomenon. In a 1952 report prepared by the Council of State Governments, dated to some extent by its title, *Higher Education in the Forty-Eight States*, researchers drew attention to the need for some sort of state-level coordinating or planning body when they argued that *institutional* governing boards were concerned “primarily and necessarily with the problems of the institutions under their jurisdiction. Only secondarily do they direct their attention to the overall, statewide problems relating to higher education. Other machinery, formal or informal, is needed for determination of these ‘middle-ground’ questions.”

They went on to observe that the widespread use of different types of coordinating mechanisms was testimony to the need for statewide coordination. They identified three popular approaches: “(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.”

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.”

In a 1985 SHEEO paper, “State Coordination of Higher Education: The Modern Concept,” Lyman Glenny identified two broad forms of statewide 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.”

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*, the last of which is distinguished by the general absence of any clear formal governing or coordinating authority. One problem with these distinctions is that some states could be classified into more than one.

Depending on how one counts them, two states fit rather clearly into the last category (Michigan, Delaware) but a few others (e.g., Minnesota, which has a planning agency but which is classified as a multiple system governing board state here) come close. The remaining 48 divide into “Governing Board” and “Coordinating Board” states. The former have governing responsibility for the institutions. That is, they have all the rights and responsibilities of a corporate board as conveyed by law. Some are constitutionally based (as are some coordinating boards), they have authority to hire, compensate, and fire chief executives of the institutions that comprise the system, prepare a budget and allocate resources, establish faculty and other personnel policies, manage assets, award degrees, etc. Some also serve as the *de facto* state higher education planning agency, although few really do this well.

Coordinating boards typically do not manage institutions. They hire, compensate, and can fire their own chief executive and staff but not those of the institutions. They do not have corporate status in the governing board sense. They are supposed to focus on state needs and priorities rather than those of the institutions. They may or may not have budget review authority, program approval authority, etc., and it is usually how they align in this regard that determines whether they are “regulatory” or “recommending” boards.

Within these broad groupings virtually every state’s configuration is distinctive. All of the two main forms (again, three are planning agency states) can be organized into subtypes. In the interest of simplicity, Governing Board states, of which there are 23, generally operate under one or two state-level governing boards, and none of these except for Alaska has a strong statewide coordinating agency (e.g., a coordinating board with authoritative academic policy or budgetary authority). Ten Governing Board states have a single governing board for all of higher education; thirteen have two or more 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. For the purposes of this discussion, 25 are classified as coordinating board states (although New York, which has a coordinating board in the State Department of Education, is often considered a governing board state), and these are divided into those states wherein the board has program approval and an authoritative budget role and those in which the boards have recommending authority.

According to ECS, the Governing Board States are:

Governing Board States (N=23)

Single Governing Board	Multiple System Governing Boards
Alaska Florida	Arizona Georgia

Hawaii	Iowa
Idaho	Kansas
Montana	Maine
Nevada	Minnesota
North Dakota	Mississippi
Rhode Island	New Hampshire
South Dakota	North Carolina
Utah	Oregon
	Wisconsin
	Wyoming
	Vermont

Coordinating Board States (N=25)

Approving Boards		Recommending Boards
Alabama	Nebraska	California
Arkansas	New Jersey	New Mexico
Colorado	New York	Pennsylvania
Connecticut	Ohio	
Illinois	Oklahoma	
Indiana	South Carolina	
Kentucky	Tennessee	
Louisiana	Texas	
Maryland	Virginia	
Massachusetts	Washington	
Missouri	West Virginia	

There is obvious overlap on these listings. Alaska, for example, could be classified as both a statewide governing board and a coordinating board state, as could be Minnesota, New Hampshire, and Vermont.

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

Consolidated Governing Board for All Public Institutions

Consolidated Governing Board for All or Most Senior Institutions and a Separate Board/Agency for Community Colleges and/or Technical Institutions

Same as b but with an Additional Planning Agency

Mixed Single Institutional Boards and Multi-Campus/Segmental System Boards
Segmental System Boards

Single Institutional Governing Boards

Washington's system fits best, but not perfectly, under "d," a mixed coordinating board system with single, multi-campus, and segmental system boards.

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

Consolidated Governing Board with One Board for All Institutions

Consolidated Governing Board with One Board and a Statewide Coordinating or Planning Agency

Consolidated Governing Board with Two Governing Boards

Consolidated Governing Board with Two Governing Boards and a Statewide Coordinating or Planning Agency

Coordinating Board with Regulatory (Program Approval) Authority and Consolidated or Aggregated Budget Authority

Coordinating Board with Regulatory Authority and Budget Review and Recommendation Authority

Coordinating Board with Regulatory Authority but no Authoritative Budgetary Role

Coordinating Board with only Advisory or Recommending Authority

Service/Planning or Other Agency States

Washington fits closest to Category (f) on this listing. Even this is arbitrary, however, for if one were to consider all of the other extant options, and 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 or twelve would need to be added, for a total of about half the states.

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. Washington's system of independent governing boards, a community and technical college system board, and a quasi-regulatory coordinating board does not fit perfectly under any.

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."

These authors categorize governance structures for higher education systems as “segmented,” “unified,” or “federal” (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).

In segmented systems, multiple governing boards are each responsible for one or more institutions, and there is no central state-level entity 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. Washington’s would be a ‘federated’ system.

Some may consider these as other names for more familiar structures, but the authors are talking about 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, fourteen or twenty or more models will depend on which level of simplification is most comfortable.

Structural differences relate directly to differences in state policy cultures, including 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. Centralization and stability also 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. Another variable frequently mentioned is leadership values. The leadership qualities of board members, statewide agency directors, and institutional leaders change. These, quite aside from formal authority, can define the strength and effectiveness of a statewide board.

These observations apply to Washington's situation. Here the legislature has delegated by statute considerable budgetary, administrative, and procedural authority to the HECB. Regional differences within the state are great. Private higher education in Washington comprises an important but separate policy domain with a strong and generally unchallenged tradition of independence. Public colleges and universities sometimes are treated more as public agencies than as quasi-independent corporations, although some of this seems to be changing. Finally, individual leadership styles make a great difference in Washington, as its history with statewide agencies demonstrates; this also is evident in patterns of institutional leadership.

Washington 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. Some institutions and multi-campus systems in states such as California's University of California, and Colorado's University of Colorado are Constitutionally vested, but statewide administrative, budgetary, and procedural authority derives from statute.

Washington is one of a small number of states (Illinois is another) in which the governor appoints the board chair. In most other states, this appointment is the province of the board. In Washington, the governor appoints the board members, who serve staggered terms in accord with statute, usually with senate confirmation, and the governor separately appoints the chair of the board, who serves at the governor's pleasure, sometimes 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 governor appoints the executive director of the Office of Student Assistance in that state.

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. The arrangement also may feed impressions that state-level coordination is susceptible to politicization, thereby avoiding more general coordinating board purposes in this regard, but it also injects an element of change into the process.

One 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

periodically stopping and pounding the side of the box with a board to get half of them into the air.

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 earlier. 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, Washington among them (RCW 28B.80.380 requires the HECB to establish advisory committees composed of representatives of faculty, administrators, students, regents and trustees, and staff of the public institutions, the Superintendent of Public Instruction, and the independent institutions).

There are other arrangements. The list that follows is selective and composed of organizations that are of the more formal variety.

Councils of presidents comprise an 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.

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. A few examples of different arrangements and approaches are Michigan, New York, Illinois, and Ohio.

Michigan: Michigan has long been considered a state that maintains a *laissez faire* relationship with its institutions of higher education, in accordance with 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. Michigan, accordingly, does not have a state-level coordinating board or higher education governing authority. Under the state's constitution some very limited coordinating functions are assigned to the State Board of Education, which has primary authority for elementary and secondary education. Its authority is limited to the coordination of services between two- and four-year institutions, which it pursues by recommendations to the legislature with respect to budgetary and program matters, licensing and charter-granting authority for independent institutions.

The Higher Education Assistance Authority is the student financial assistance agency. Michigan is one of three states in the classification of those without a statewide agency. Vermont and Delaware are the other two. As noted, 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.” 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.

New York: The University of the State of New York comprises all elementary, secondary, and postsecondary institutions. The Board of Regents is responsible for the supervision and setting of policy for all education activities and presides over the university and state education department. The board and the university are constitutionally vested. The 16 regents are elected by the legislature, one from each of 12 judicial districts and four at large. The chancellor and vice-chancellor are elected from their ranks by a majority of regents. They have authority for planning and coordination and degree approval for all sectors and levels. They appoint the president of SUNY, who serves also as the commissioner of education and the CEO of the state education department. There are two statutory governing boards – the Board of Trustees of SUNY and the Board of Trustees of CUNY. The Higher Education Services Corporation administers student financial aid programs.

The Illinois Board of Higher Education: The Illinois Board of Education is instructive as an example of a coordinating board responsible for disparate institutional governing boards, some of which are appointed, and some of which, the community colleges, are elected. It also illustrates the precept that states can organize their higher education systems in just about any way they wish.

The Illinois Board of Higher Education is the coordinating board for that state. It probably would be classified as a ‘strong’ coordinating board, although, as noted, strength is a function both of authority and the interpretation and exercise of that authority. The Board is composed of ten public members appointed by the Governor; a member representing university governing board members; a member representing independent college and university trustees, both appointed by the Governor for one year terms; the chair of the community college board; the chair of the Illinois student assistance commission; and a student board member (also one-year term).

In 1995, the legislature abolished two of the four public university governing boards (the Board of Governors and the Board of Regents); placed one of their campuses under the governance of the University of Illinois; and established individual governing boards for the remaining seven institutions previously governed by the two abolished boards. Now there are nine public university governing boards, seven of which each govern a single campus, while the remaining two govern multiple campuses. The Board of Higher Education has responsibility for state-level planning,

program review and approval, and the development of budget recommendations for all public universities and community colleges.

The Illinois Community College Board coordinates the 40 community colleges, with their 49 campuses. A locally elected board of trustees governs each community college district. The State Board of Education is responsible for adult and vocational education, but it is required to enter into annual interagency agreements with respect to standards, funding, and reporting requirements with the Community College Board.

The Ohio Board of Regents: Although called the Ohio Board of Regents, it is the coordinating agency rather than a governing board for higher education in that state. The Board consists of nine public members appointed by the Governor, and two *ex-officio* members (the chairs of the house and senate education committees). It has statutory responsibility for planning and the coordination of public senior institutions and community and technical colleges, responsibility to review institutional budget requests and to make recommendations for a consolidated budget, approve programs for both four- and two-year institutions, private colleges and universities, and diploma schools of nursing.

A rather large number of institutional governing boards operate in Ohio, since there is no combined multi-campus system. These are the Board of Trustees of Bowling Green State University; The Boards of Trustees of the University of Akron and Wright State University (two boards, each governing one senior university and one public branch); The Boards of Trustees (separate boards, each governing one institution) of Central State, Cleveland State, and Shawnee State Universities, the University of Toledo, and Youngstown State University. The Boards of Trustees of Ohio State University and Ohio University each govern one senior institution and five branches. The Board of Trustees of Kent State University governs this senior institution and seven branches. The University of Cincinnati and Miami University each have their own governing board for their respective senior institutions and branches.

Six community colleges are governed individually by boards representing the state and the county; nine state community colleges have state-appointed boards. Boards representing the state and local taxing districts govern the eight technical colleges. The Ohio Board of Regents coordinates all of these institutions. The Ohio Association of Community Colleges is a voluntary organization that represents the interests of the state's 23 community and technical colleges.

In fact, because each form has devolved from its civic and political cultures, not only are there are really fifty-plus models, any solutions will have to fit the special situation of the state in which they are applied. An interstate comparative analysis can inform the process, perhaps lead to a choice, and that is how this analysis is intended, but one should not assume that another model can simply be grafted onto Washington and that it will work. In view of the mixed results of Washington's history of efforts to establish the best structural and functional arrangements and to induce improved collaboration, there are no structural or functional changes based on other states'

arrangements that readily present themselves, i.e., that would guarantee a more or less permanent improvement in matters in this state. There have been some comparatively recent cases in which states have reorganized or restructured their statewide higher education agencies. A brief look at some of these might reveal something about whether the cure is worse than the pain.

Oregon: In the late 1980s, the Oregon Educational Coordinating Commission was disbanded and replaced with the Office of Educational Policy and Planning as a unit within the Office of the Governor. The executive officer was appointed by the governor and served at the governor's pleasure. The office was given statutory authority to review all new and existing programs and their delivery sites for consistency with statewide policy. It was given responsibility to review the budgetary policies of the educational components and make recommendations to the governor. It was assigned statewide strategic planning responsibility, and both the Board of Education and the Board of Higher Education were directed to cooperate with the office in this procedure. It also was required to maintain a central database to require each higher education governing board to submit a long-range plan for its review and coordination.

This experiment with gubernatorial higher education planning and coordination proved to be short-lived. The governor appointed an executive, who in turn hired a small staff. Although the office had a strong initial presence, it did not sustain a role as a significant player in Oregon's higher education drama. Observers there noted recently that it 'passed without a whisper.'

Presently the Department of Higher Education serves as a statutory cabinet department. It has responsibility to coordinate the Oregon University System and administer the policies set by the Oregon State Board of higher Education. This board is the governing authority for the state's six public universities and its institute of technology. The State board of Education, a different organization, supervises and regulates 17 community colleges, each of which has its own elected governing board. This board also functions as the State board of Vocational Education and the State Board for Community Colleges. The State Student Assistance Commission serves as the student financial aid agency. The Oregon Joint Boards of Education coordinates relationships between the K-12 and higher education sectors, in effect serving as the state's K-16 organization. Oregon's system is comparatively loosely coupled, and there is no statewide higher education entity of the form normally envisaged. Thus, it tends to reside between the cracks in the statewide agency organizational classification schemes.

New Jersey: The state mentioned most frequently in conversations about decentralization is New Jersey, as it was this state that for all intents and purposes in 1994 moved decentralization from discussion to reality. Before this change the coordinating board in New Jersey—Board of Higher Education/Department of Higher Education—was classified as a strong regulatory board, in that among other things it had authority for salary and personnel policies for the institutions. 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.

The BHE/DHE, 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 were transferred, along with most of the 300 members of the BHE/DHE staff, 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.

While the changes that were proposed by the governor 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 them 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. In this sense, the New Jersey changes may have had more effect on the Collaboration dimension than on the Functional.

Florida: A 1998 constitutional amendment that was intended to become fully effective in January 2003 eliminated the State Board of Education, which has been the chief education governing body in Florida for the last 150 years. The Florida Board of Education, composed of seven members appointed by the governor, would have replaced the SBE. In July 2001, enabling statutes applying to the State University Board of Regents, the State board of Community Colleges, the State Board of Independent Colleges and Universities, the State Board of Non-Public Career Education, and the Postsecondary Education Planning Commission were repealed and

in most cases their authority was transferred to the Florida Board of Education. The staff of the Postsecondary Education Planning Commission was assigned to a new Council for Education Policy Research and Improvement, which was administratively located in the Office of Legislative Services. The CEPRI is composed of five members appointed by the governor and two members each appointed by the speaker of the house and the president of the senate. This new agency is responsible for strategic planning and policy research.

The goals driving these changes were the decentralization of university governance to allow universities more flexibility to adapt to local needs and the changing marketplace and the development of a seamless education system that encompassed all sectors.

In addition to the aforementioned changes, each of the 11 state universities was given its own governing board composed of 12 governor-appointed members, one of whom must be a student. Among other changes (e.g., student financial assistance is administered by an office in the Department of Education), Florida established a P-20 system. The Articulation Coordinating Committee has responsibility for student transfer and articulation matters between schools, colleges, and universities.

In November 2002, voters in Florida approved a constitutional amendment that undid many of these changes and constitutionally established a new governing board for the public universities. According to the *Chronicle of Higher Education* (November 1, 2002) “. [The amendment] it will abruptly halt one of the most closely watched reorganizations of university governance attempted by any state in recent years.” The board will be composed of 17 members. Institutions will retain their own boards but these will have only the powers the Board of governors delegates to them. Community colleges, which have their own boards of trustees, would not be affected by the change. The relationship of all of this to the P-20 system and the Articulation Coordinating Committee is not clear.

Support for the measure came from the United Faculty of Florida, a union that lost its bargaining rights when the former Board of Regents was abolished. Under the amendment, the state Board of Education will continue, but it will have no authority over the universities. The new Board of Governors, constitutionally vested, is expected to be more powerful than the old Board of Regents, which did not have constitutional authority.

Minnesota: The Minnesota Higher Education Coordinating Board was abolished by the legislature in 1995 after thirty years of operation. This organization had become encumbered with administrative and program management responsibilities and was no longer a key player in the higher education policy arena in that state. It was replaced with two multi-campus governing boards: the legislatively-appointed 12 member Board of Regents for the University of Minnesota, which has constitutional authority for the state’s four public universities; and the 15 member governor-appointed Board of Trustees of the Minnesota State Colleges and Universities. The latter governs the state universities, community colleges, and the former technical colleges. Each board has planning and

coordination, institutional budget review, and program approval for the institutions in their sectors.

Many of the coordinating board's administrative responsibilities were transferred to a new Minnesota Higher Education Services Office. Its duties encompass student financial aid programs, registration and licensure of private colleges and career schools, interstate reciprocity programs, data collection, etc. The Higher Education Services Council (eight citizen members and one student), appointed by the governor, oversees this office, hires the director, and makes recommendations to the governor and legislature.

West Virginia: In the year 2000, the legislature eliminated the Board of Trustees of the University System of West Virginia and the Board of Directors of the State College System, replacing them with the West Virginia Higher Education Policy Commission, a coordinating agency composed of nine members, seven of whom are appointed by the governor, and two of whom, the Secretary of Education and the State Superintendent of Schools, are *ex-officio*. The Commission is responsible for 'developing, gaining consensus around, and overseeing the implementation of a public policy agenda for postsecondary education.' It also administers student financial programs and governs the vocational-technical institutes. It has licensing and approval authority for private degree-granting institutions and proprietary schools.

West Virginia also has a number of advisory organizations for postsecondary education. These include the Council for Community and Technical College Education, the Community and Technical College Presidents and Provosts, the Council of Faculty, the Council of Classified Employees, the Council of Students, etc.

It would be difficult to discern a consistent theme among these changes. Decentralization is a possibility, and references to de-regulation, flexibility, and adaptation were frequent, but frustration also was apparent. Sometimes this was directed at the agency head, sometimes at the organization itself. Sometimes it reflected disgruntlement over bloat, an impression that could form as these organizations assumed more and more program administration functions and acquired staff to manage them. At the time of the Minnesota change, for example, out of an agency staff of some 70 FTEs, only 1.5 could be attributed to the policy and planning component of the agency's role.

While in most cases some replacement state-level planning and policy organization was created, and arrangements had to be made for the continuation of program administration responsibilities, unlike the reorganizations that transpired or might have transpired a few years earlier, the changes were not limited to choices between a statewide coordinating or governing board, on the one hand, or a regulatory or recommending coordinating board, on the other. The changes were distinctive to each state, and a surprising degree of variety is apparent among them. If these are good examples, the days of cookie-cutter solutions appear to have vanished.
