

Higher Education Governance in and among the United States

OECD/IMHE

Thursday 24 August, 2006

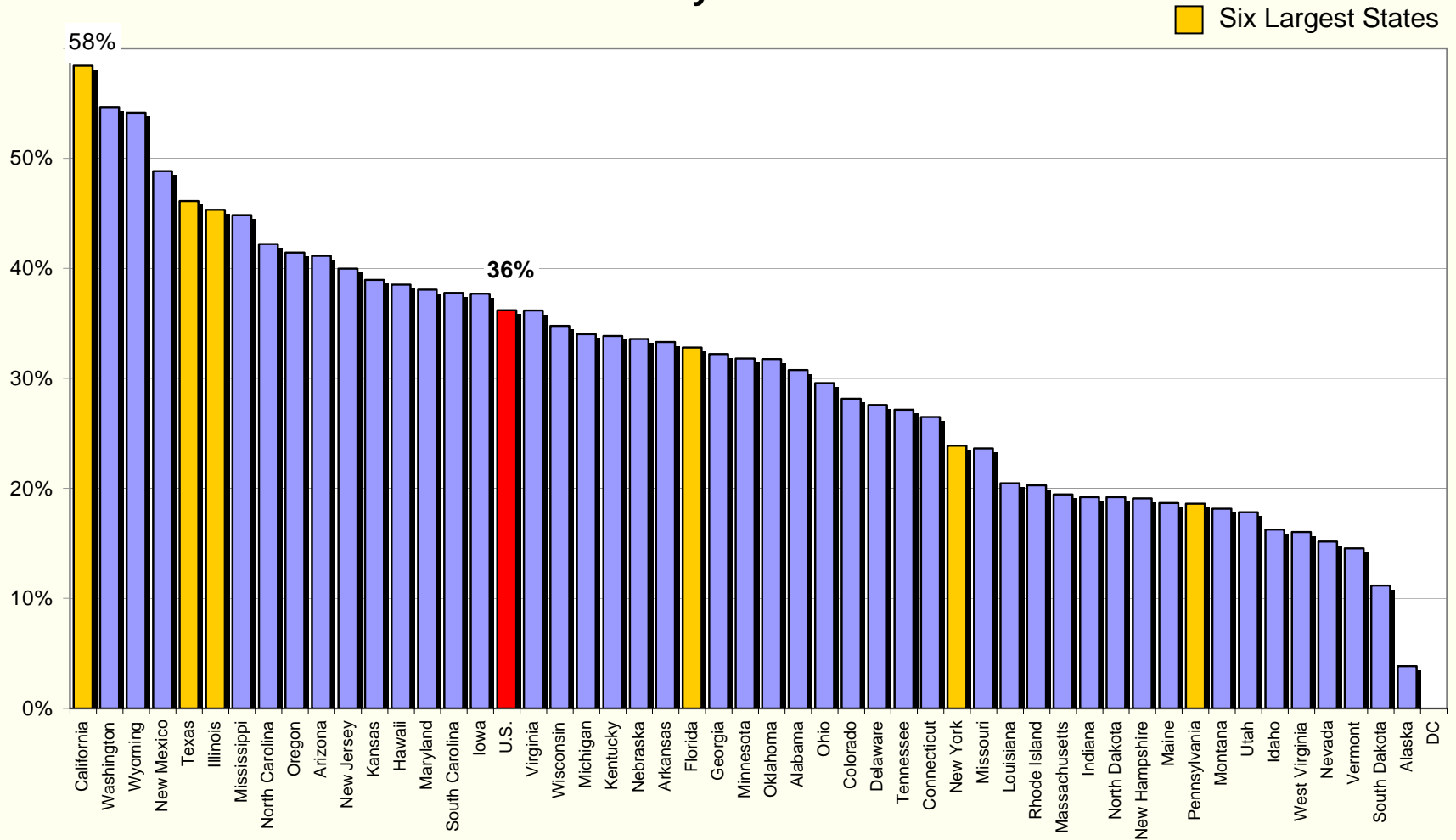
Paul Lingenfelter, President, SHEEO

Overview of Presentation

- **Diversity among the states in:**
 - **Structure**
 - **Governance**
 - **Policy**
- **Distinct (more or less) state and federal roles**
 - **Funding**
 - **Policy– setting and pursuing priorities**
- **Universal challenges and tensions**
 - **Tertiary education – a necessity, not just an option**
 - **Institutional “autonomy” vs. public purpose**
 - **Achieving productivity gains**
 - **Accountability**
 - **For professional competence**
 - **For quality assurance**
 - **For better results**

Diversity in Structure Among the States

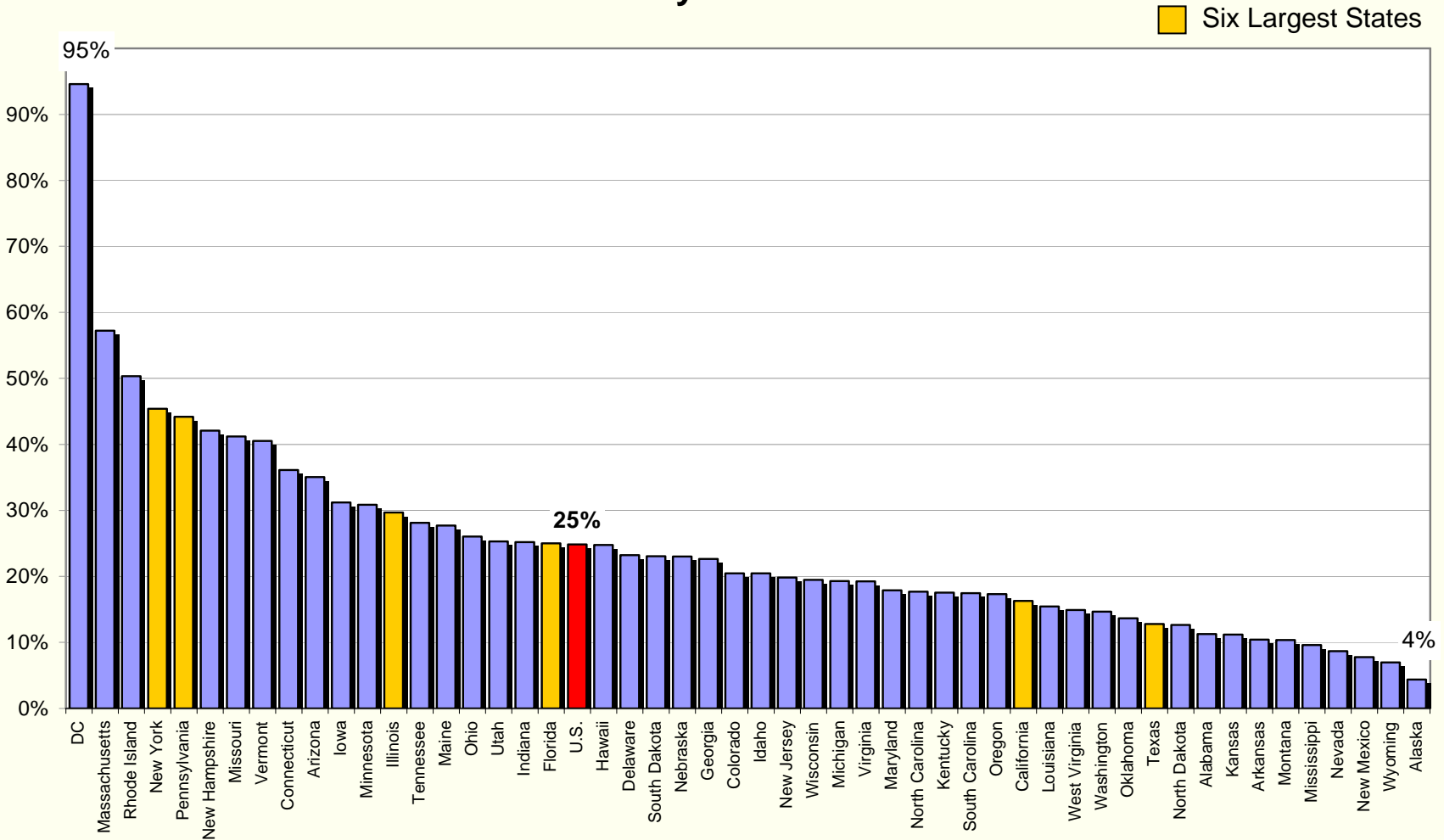
Enrollment in Public Community Colleges as a Percent of Fall 2004 Headcount by State



Source: IPEDS

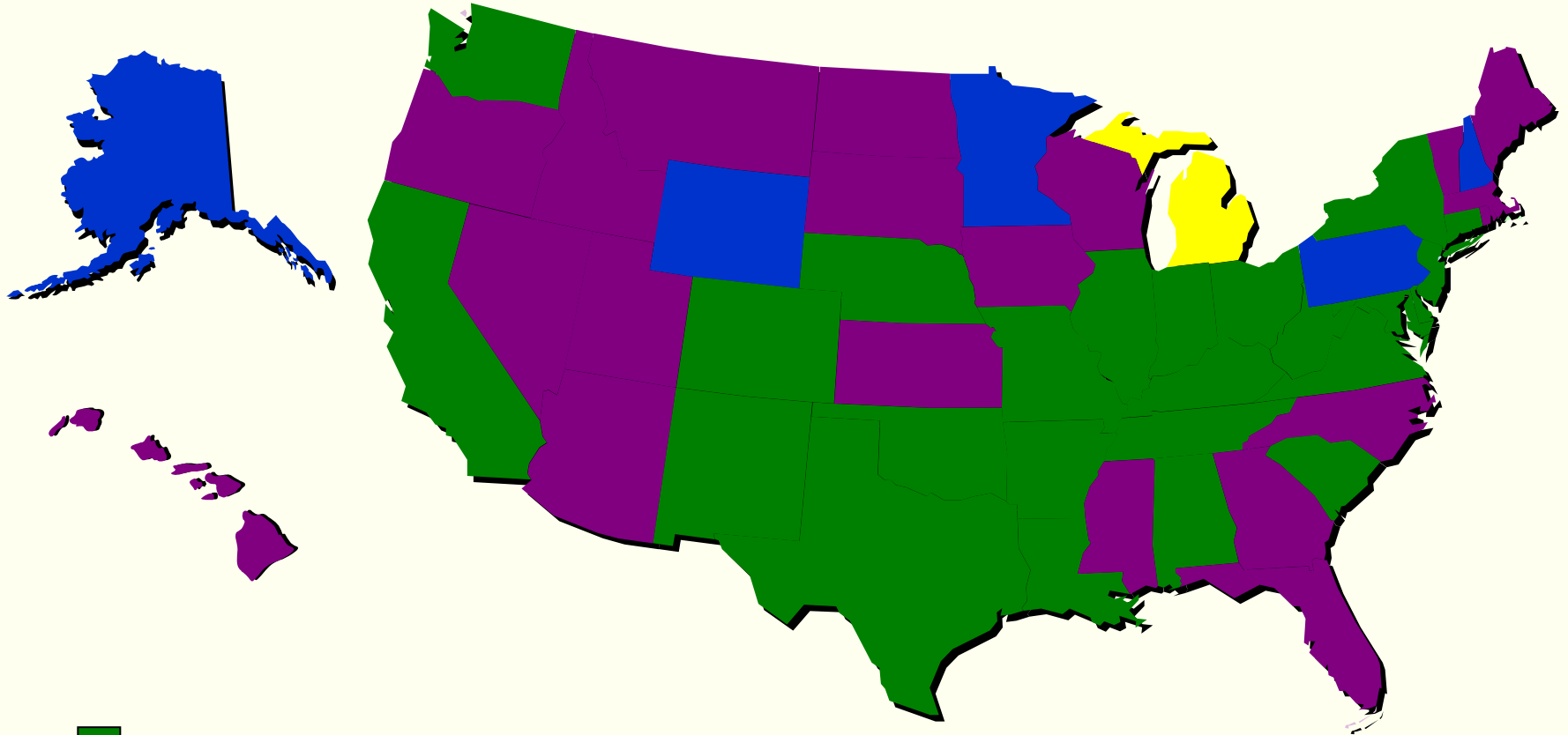
Diversity in Structure Among the States


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



Source: IPEDS

Diversity in Governance among the States



-  Coordinating Board
-  Governing Board
-  Both Coordinating & Governing Board
-  No Statewide Board

State Coordination vs. State Governance

Statewide coordinating Boards:

- Do planning, budgeting, and program authorization/review
- Have no or a very limited role in personnel and institutional operations (functions of governing boards for individual institutions in these states)
- May operate state financial aid and grant programs
- May or may not be closely controlled by the Governor (Executive Branch)
- Vary considerably in influence and power

State Coordination vs. State Governance

Statewide Governing Boards:

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

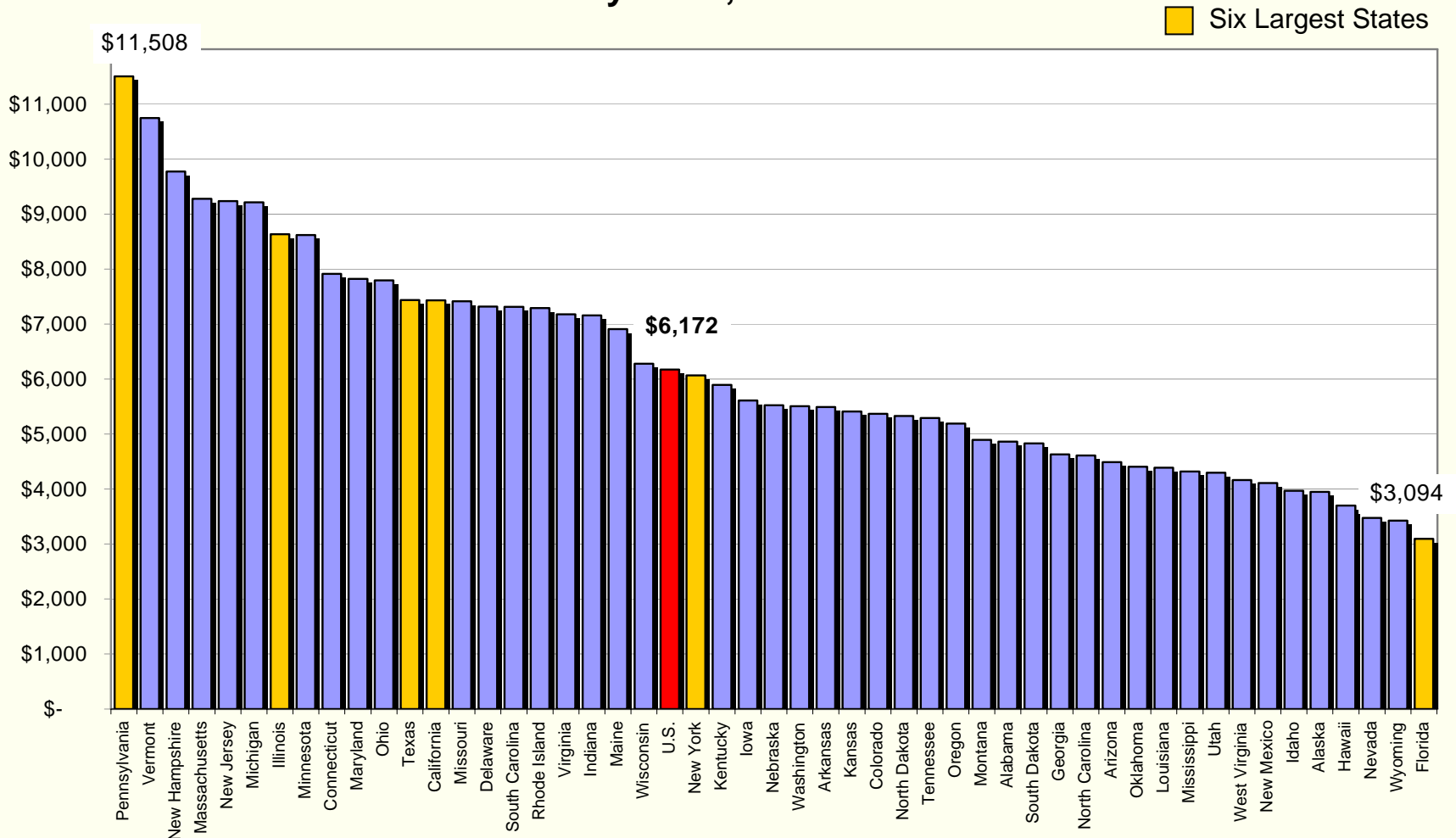
State Coordination vs. State Governance

Coordinating and Governing Boards may be:

- **Appointed by Governors (most common)**
- **Elected directly by the people (less common, and only for Governing Board members)**
- **Selected in part by the Governor and in part by others, included the legislature and sometimes alumni**
- **Students, often without vote, sometimes serve as Board members.**

Diversity in Policy Among the States

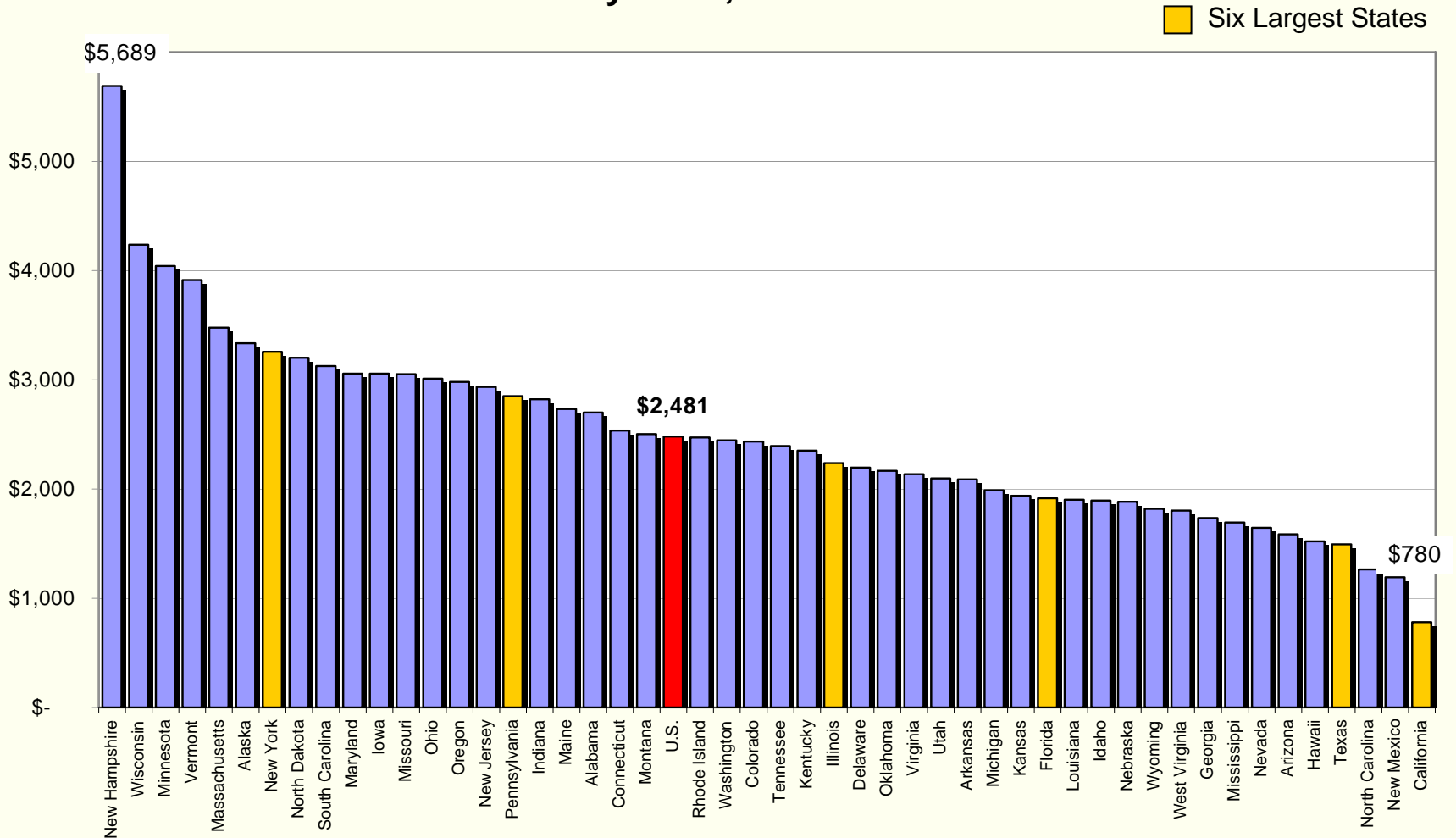
Annual Tuition and Required Fees at Public Flagship Universities by State, 2005-06



Source: 2005-06: Tuition and Fee Rates: A National Comparison, Washington Higher Education Coordinating Board.

Diversity in Policy Among the States

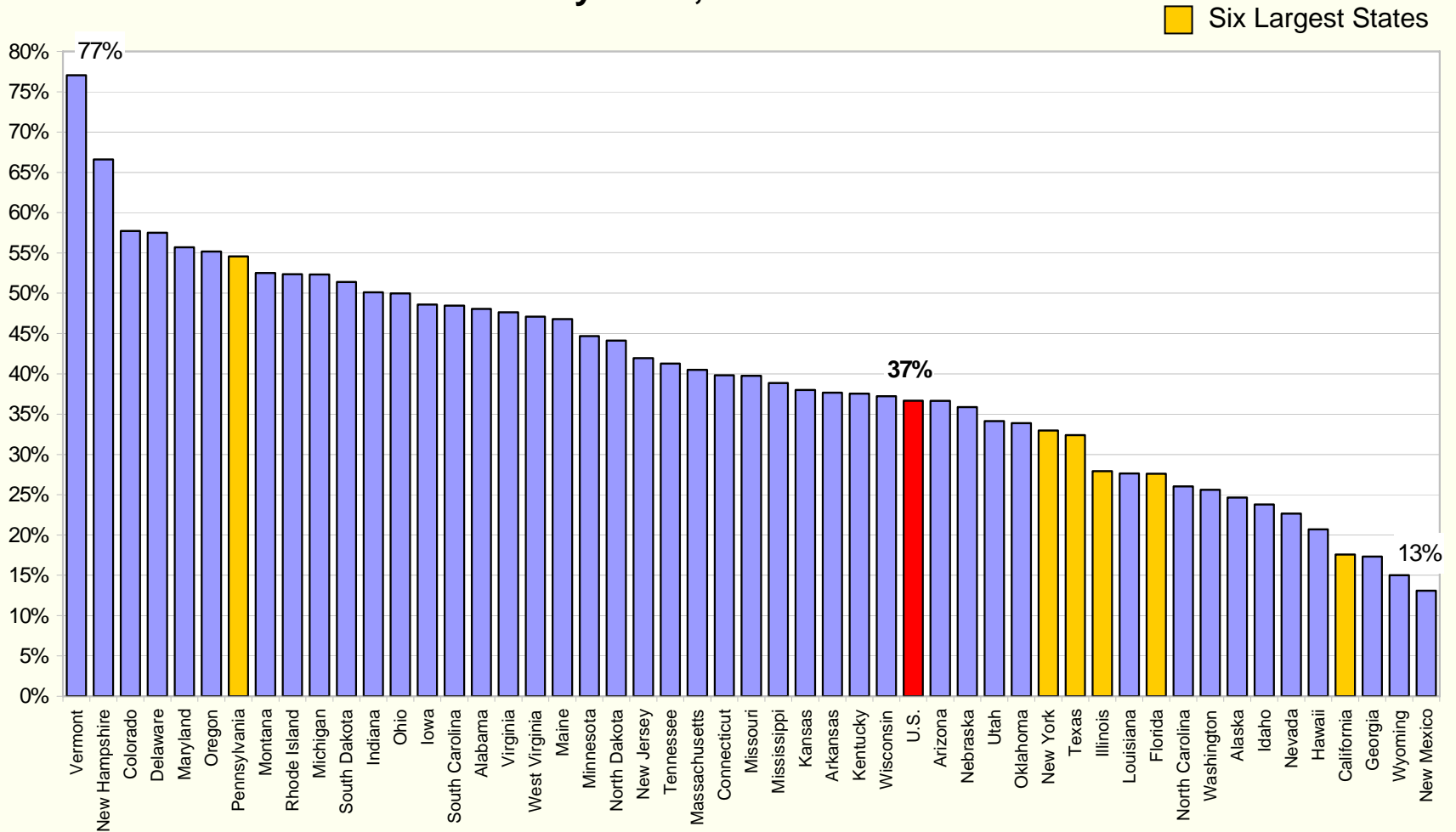
Annual Tuition and Required Fees at Public Community Colleges by State, 2005-06



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Diversity in Policy Among the States

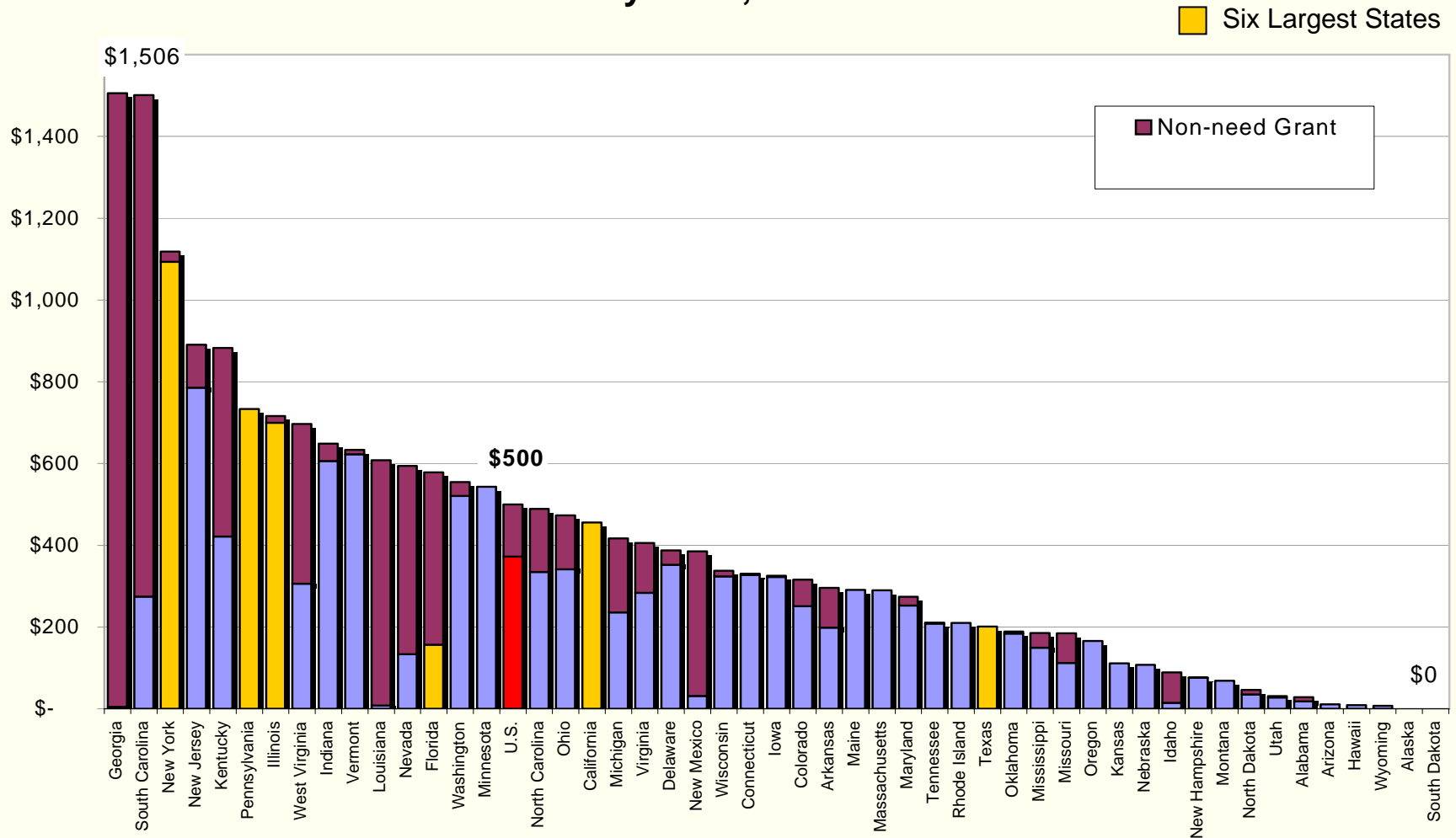
Net Tuition as a Percent of Public Higher Education Total Educational Revenues by State, Fiscal 2005



Source: SHEE SHEF

Diversity in Policy Among the States

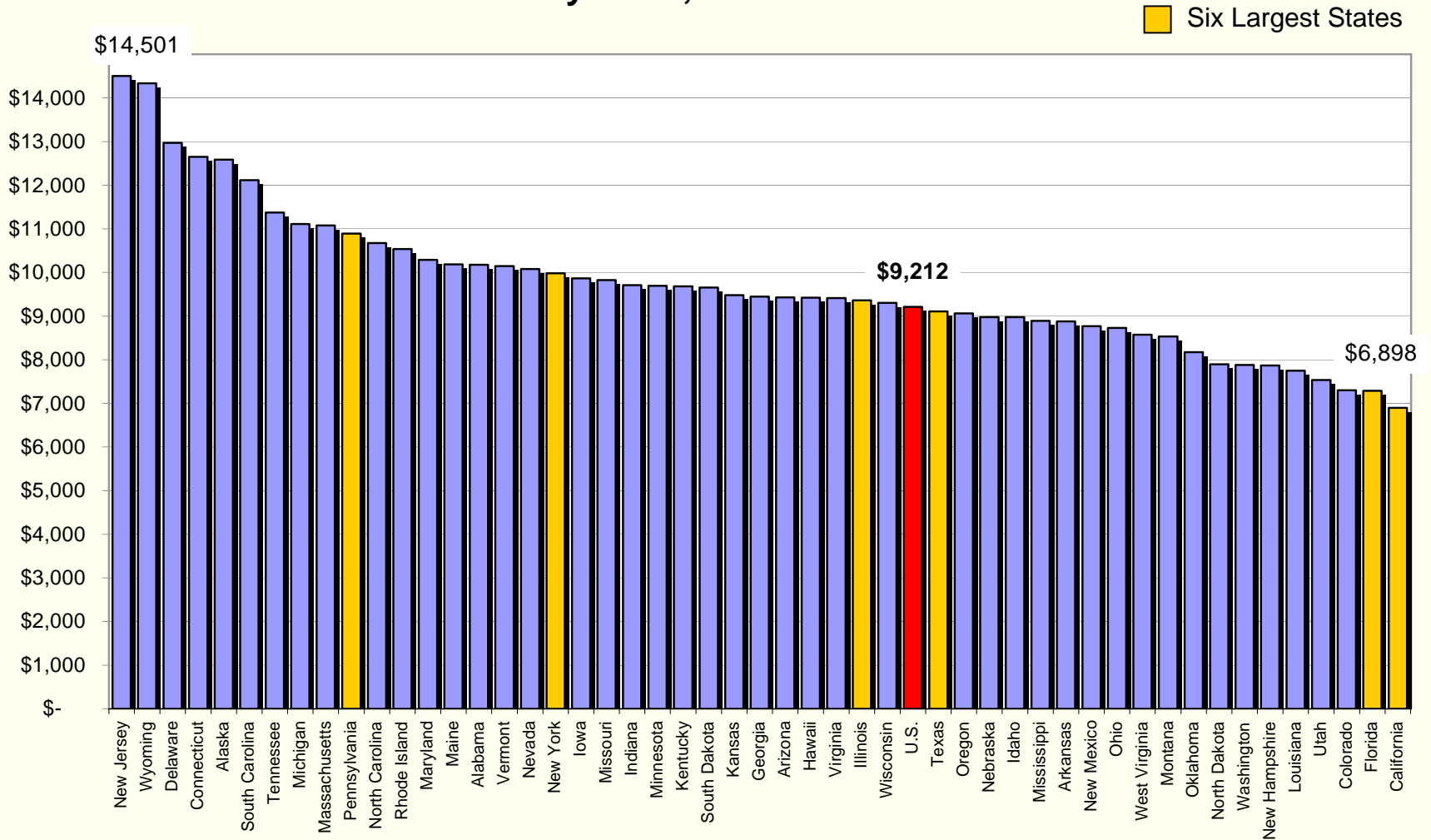
State Undergraduate Grant Aid per Undergraduate Student by State, 2003-04



Source: National Association of State Student Grant & Aid Programs

Diversity in Policy Among the States

Total Educational Revenues per Student by State, Fiscal 2005



Source: SHEE SHEF

State and Federal Roles: Funding

Approximate spending for higher education

(Dollars in Billions)

	Federal	State
Student Aid Grants	\$ 18 B	\$6 B
Tuition Tax Credits	\$ 8 B	--
Loans (cost of subsidy)	\$ 15 B	--
Institutional Operations (including some research support)		\$65 B
Sponsored Research	\$ 27 B	
Annual Operations and Grants	\$ 68 B	\$ 71 B
Facilities Construction and Renovation	Minimal role	Primary responsibility

Sources: College Board, SHEEO, National Science Foundation

State and Federal roles: Policy and Priorities

Research and student assistance:

Federal role dominant, states secondary/reactive

Data collection and reporting:

Federal collects core data, states supplement. System is cumbersome, ineffective – needs redesigning

Accreditation:

Voluntary, peer systems, federal/state recognition

Institutional priorities, control, management:

States dominant, federal lacks legal power and tools, other than blunt reporting/regulation

Universal Challenges and Tensions

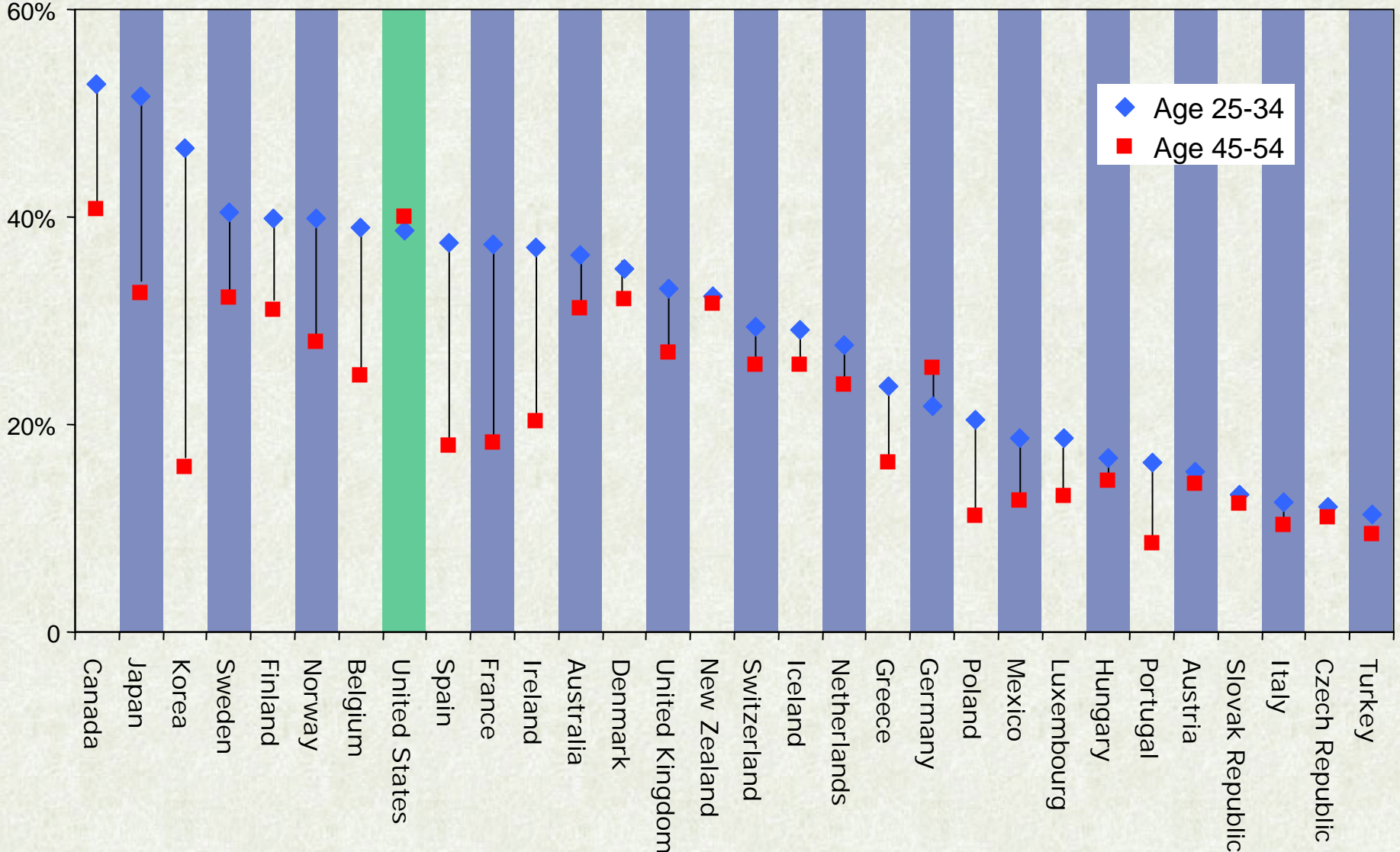
Tertiary education – a necessity, not just an option

- **Global competition – *The World is Flat***
- **U.S. and Western European workers the world's most expensive**
- **Aging population, growing health care costs**
- **Immigrants, minorities becoming the workforce core**
- **Imperative to achieve more widespread success in tertiary education**

College Attainment Rate (Associate and Higher)

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

OECD Countries



Source: Organisation of Economic Cooperation and Development, American Community Survey

Universal Challenges and Tensions

Institutional Autonomy vs. Public Purpose

State and Federal roles: Accountability

Various dimensions of “accountability”

- **Quality control**
- **Transparent (“customer”) information on price, graduation rates, et al**
- **Student learning**
- **Goal setting, monitoring progress, intervening**

Current Challenges

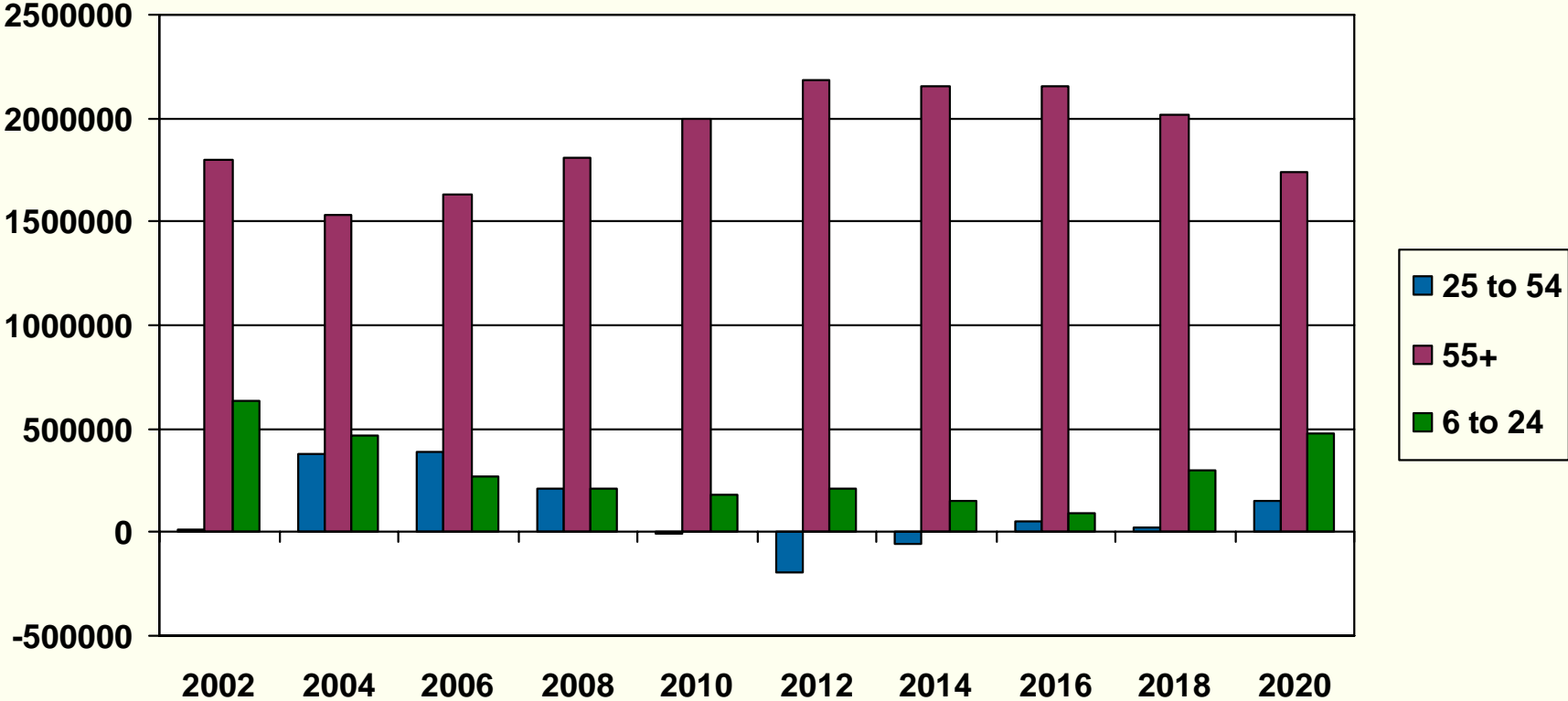
College Participation by SES Status

College Participation By Achievement Test and Socioeconomic Status Quartile		SES Quartile	
		Lowest	Highest
Achievement Quartile	Highest	78%	97%
	Lowest	36%	77%

Source: Access Denied, Department of Education, February 2001

Current Challenges

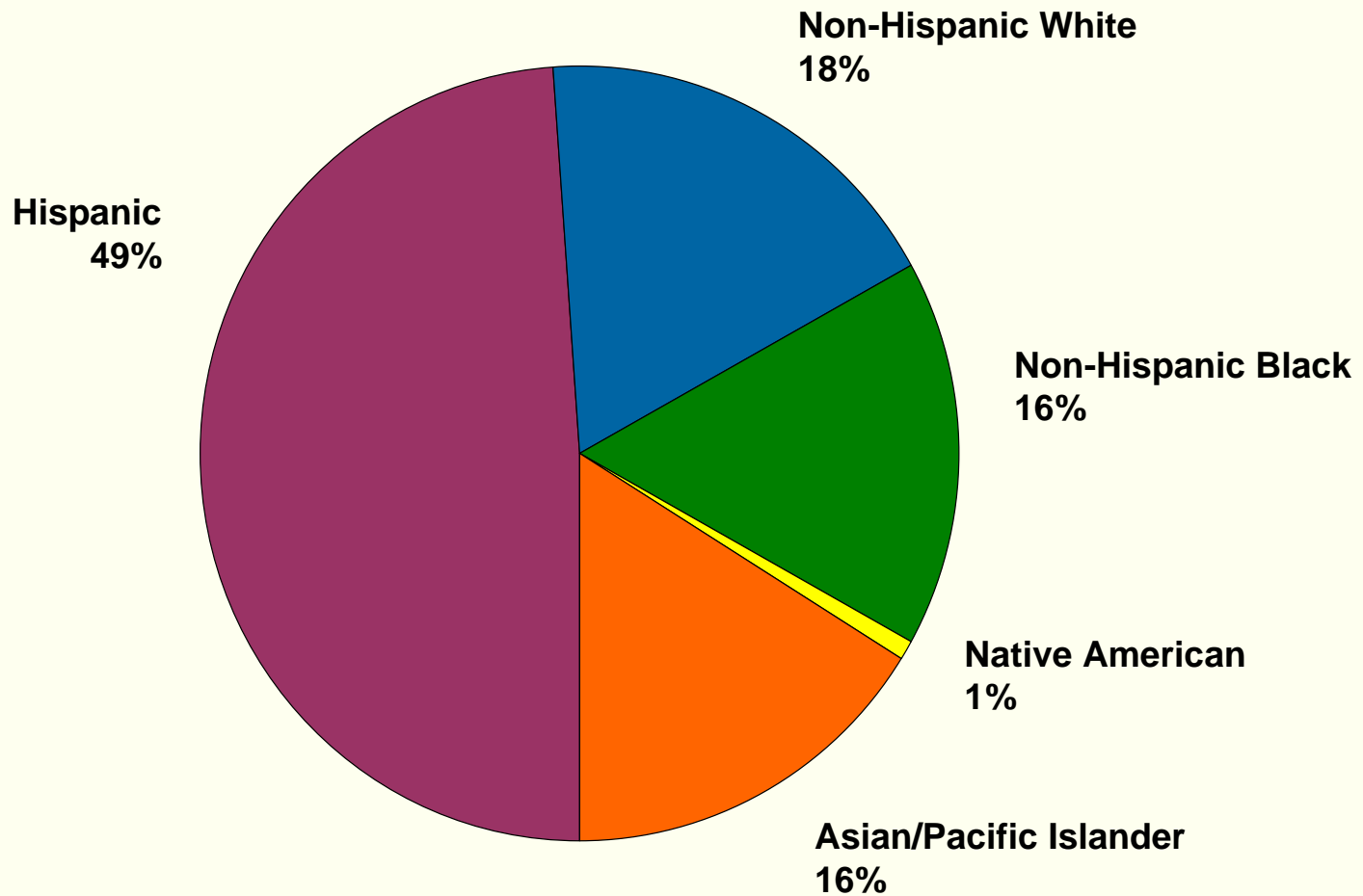
Year-to-Year Change in U.S. Population, 2002-2020



Source: U.S. Census Bureau

Current Challenges

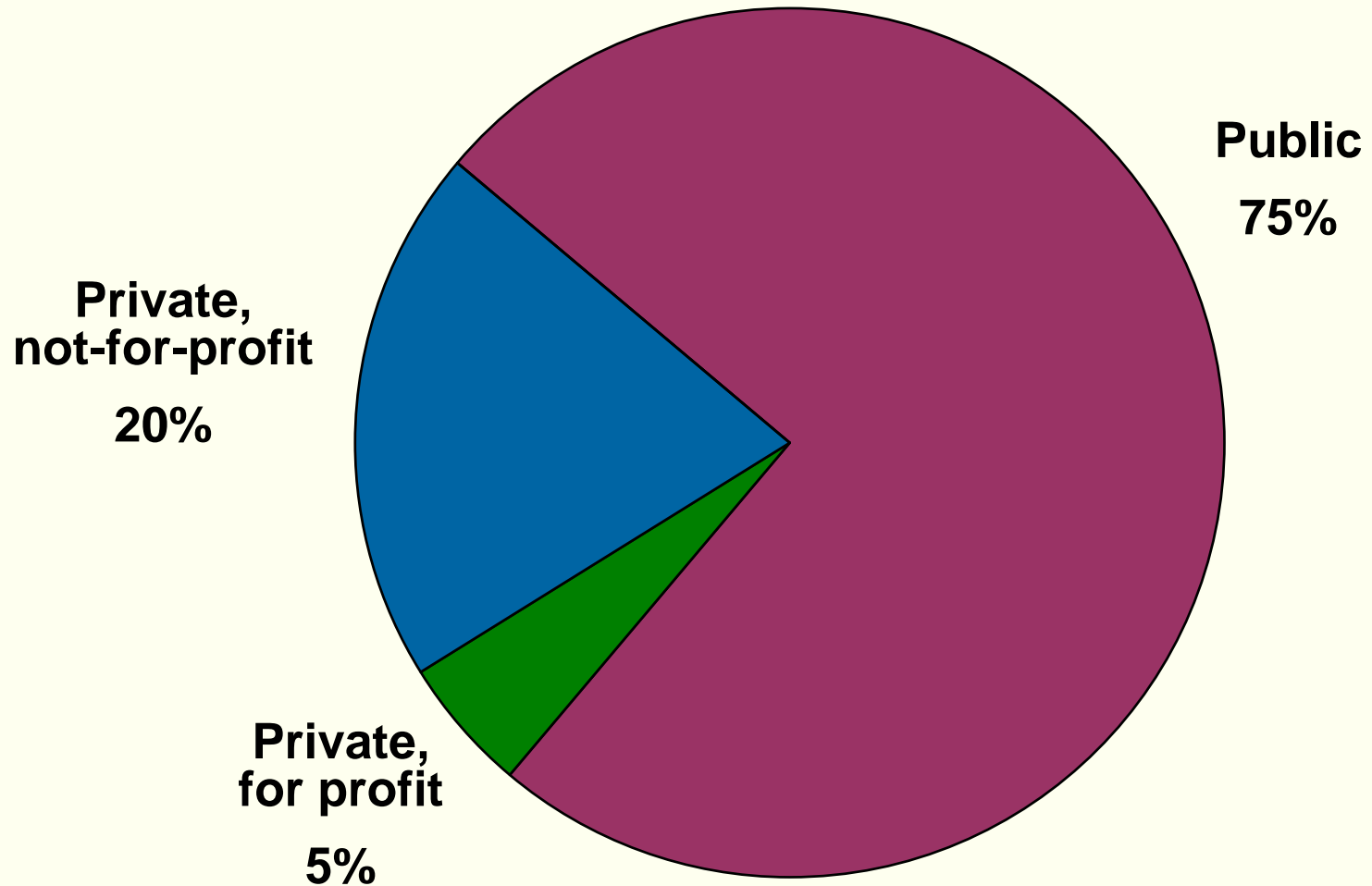
New 18-24 Year Olds by Race



Source: *Demography and the Future of Higher Education Policy*, Richard Fry, April 2001

Current Challenges

Growth of the For-Profit Sector



The Crystal Ball

The more things change, the more they stay the same.

The upward spiral in costs will moderate, not end.

**The “secular trend” toward higher fees will continue:
the middle class will protect its interests.**

The Crystal Ball

Enrollments will grow at lower cost, less selective and for-profit institutions.

Need-based financial aid will be combined with academic standards.

No Child Left Behind – If affordable

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