

# **Higher Education Governance in and among the United States**

**OECD/IMHE**

**Thursday 24 August, 2006**

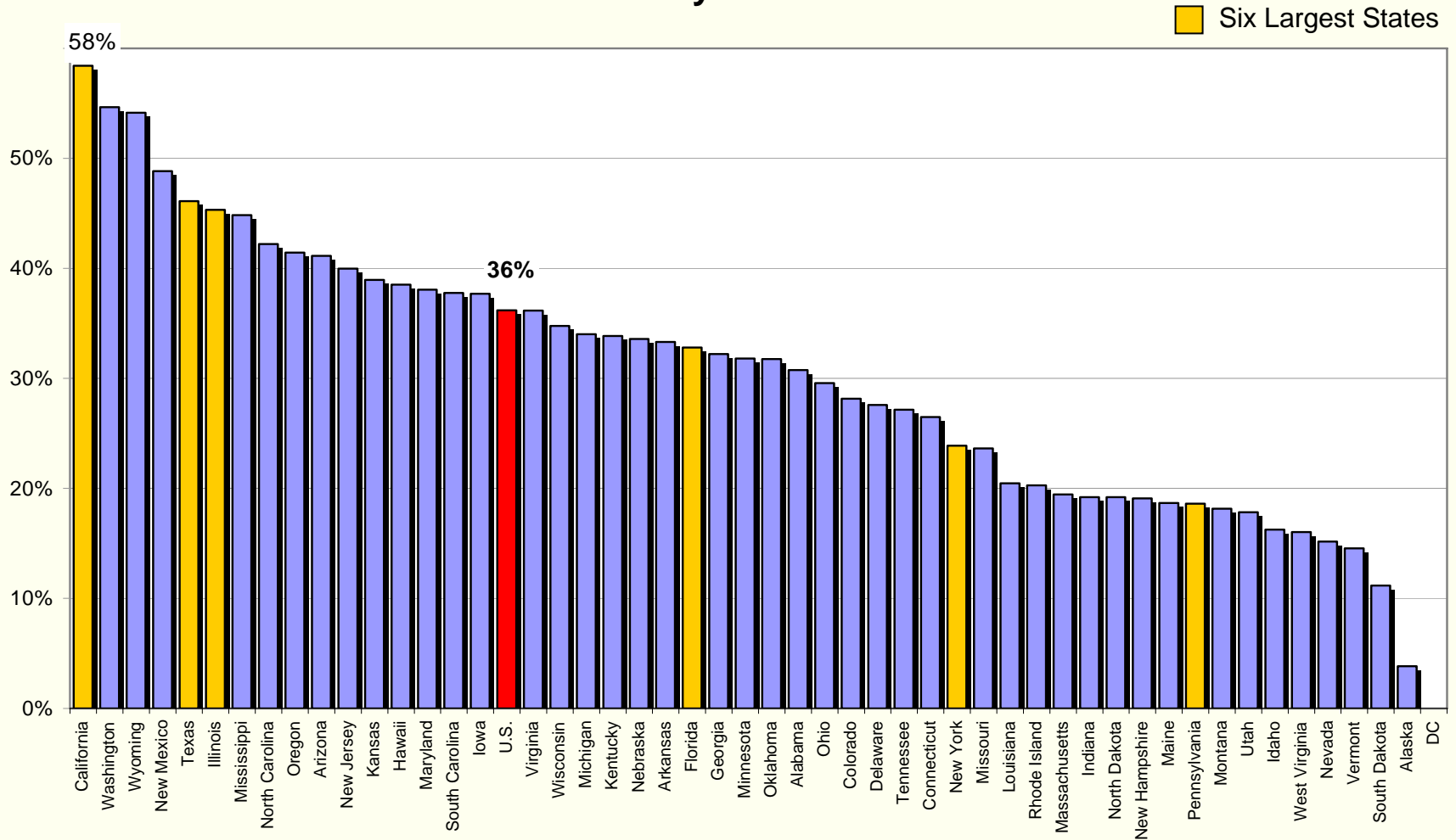
**Paul Lingenfelter, President, SHEEO**

# 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

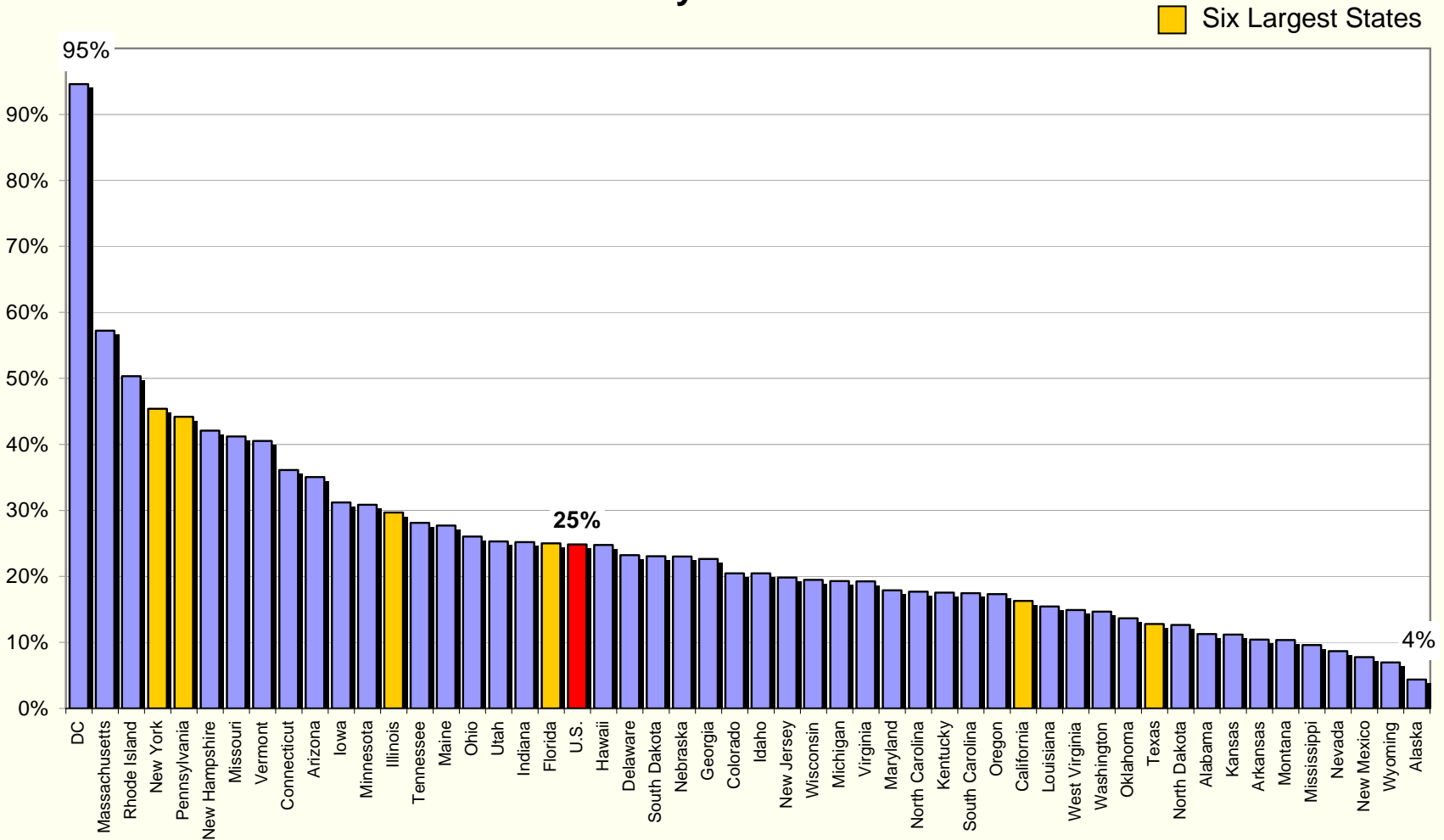
## Enrollment in Public Community Colleges as a Percent of Fall 2004 Headcount by State



Source: IPEDS

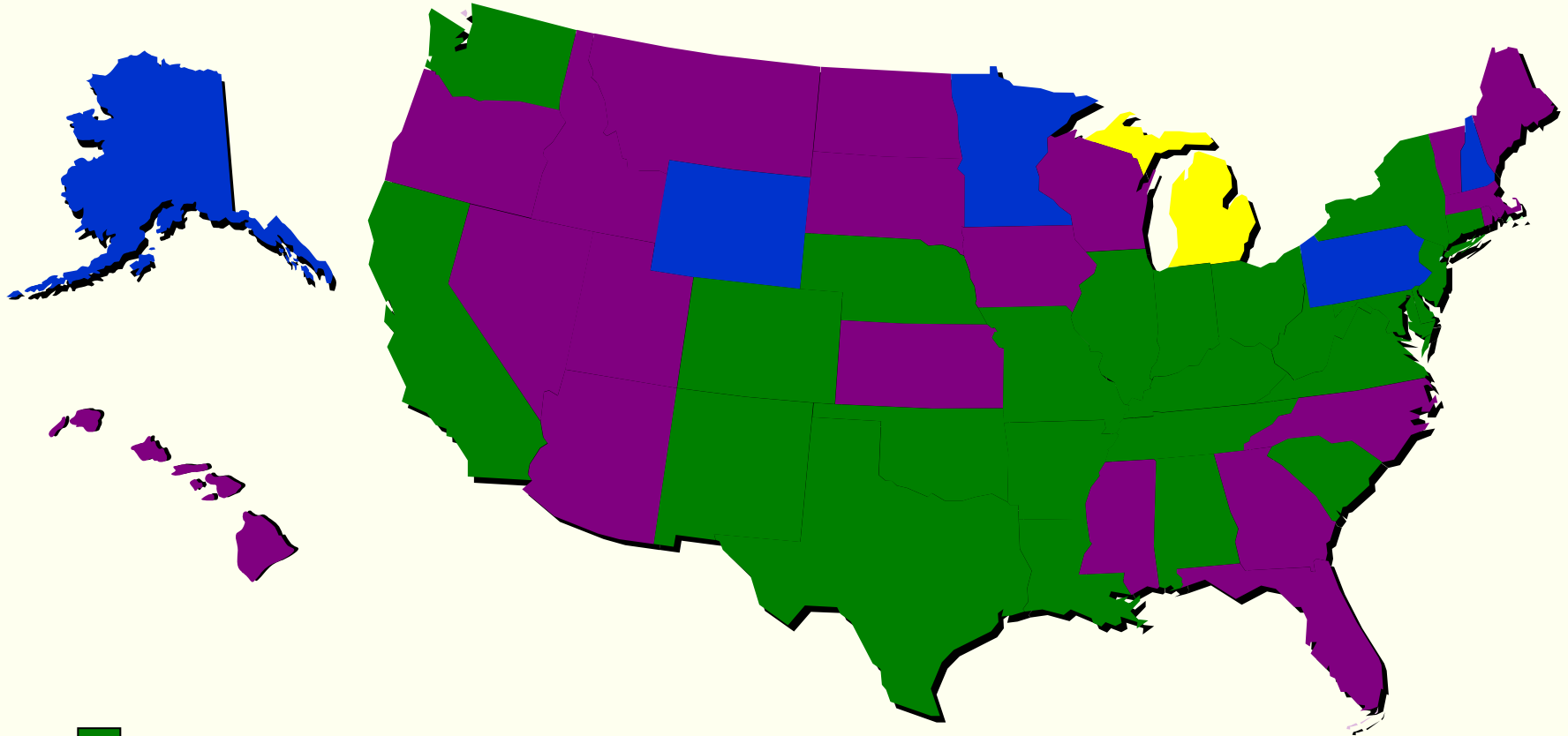
# Diversity in Structure Among the States





## 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

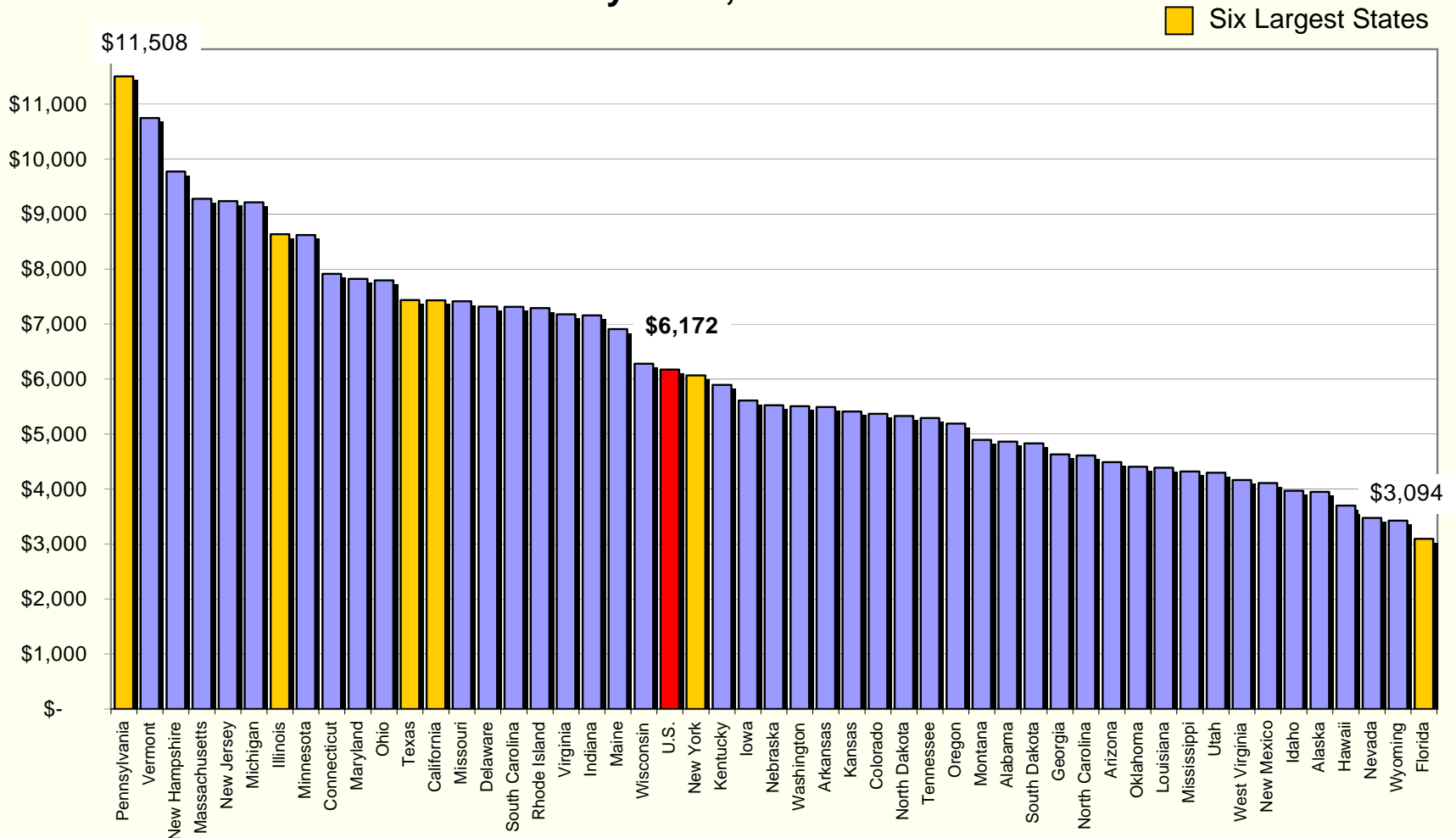
## Coordinating and Governing Boards may be:

- **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

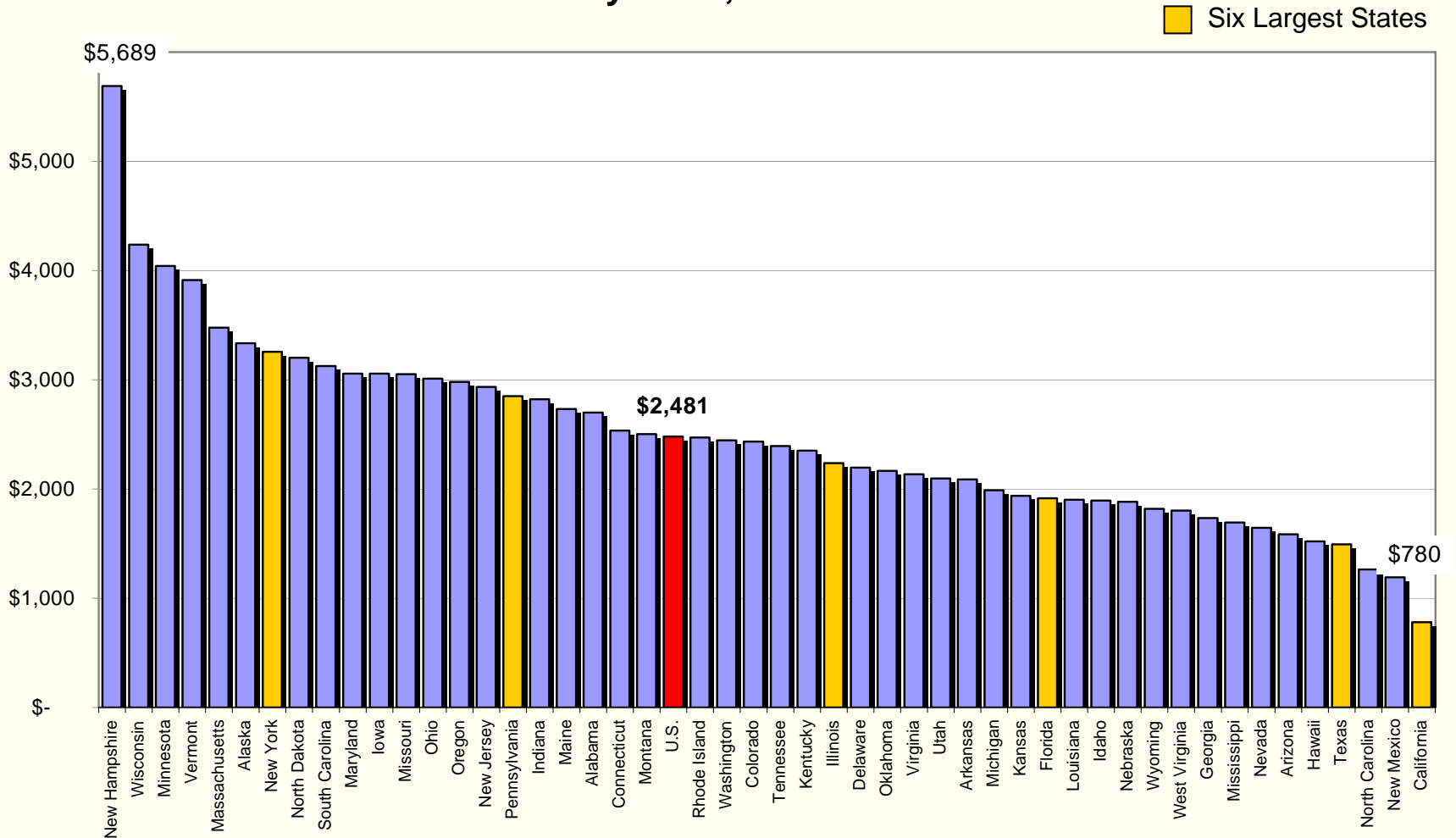
## Annual Tuition and Required Fees at Public Flagship Universities by State, 2005-06



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

# Diversity in Policy Among the States

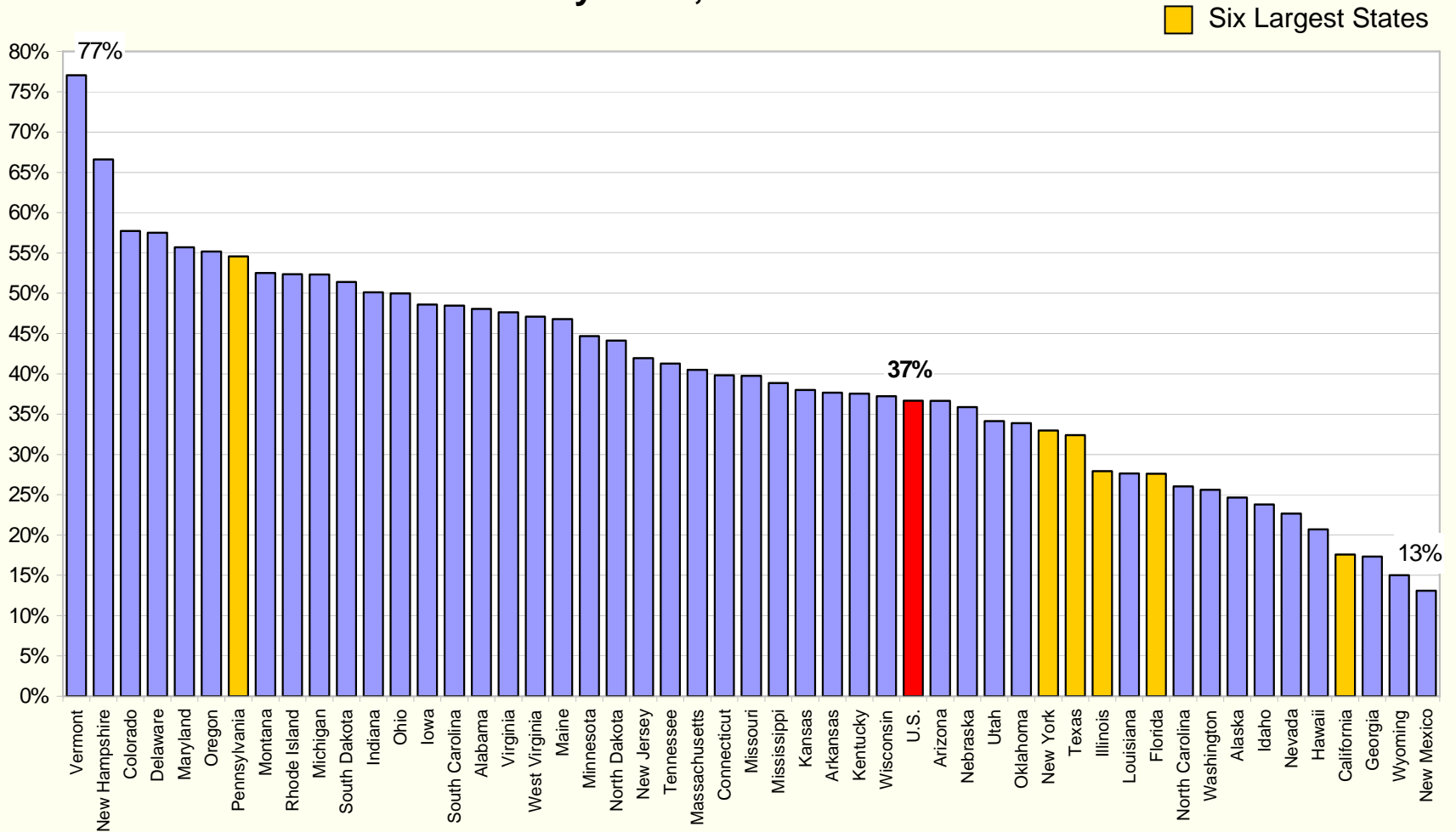
## Annual Tuition and Required Fees at Public Community Colleges by State, 2005-06



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# Diversity in Policy Among the States

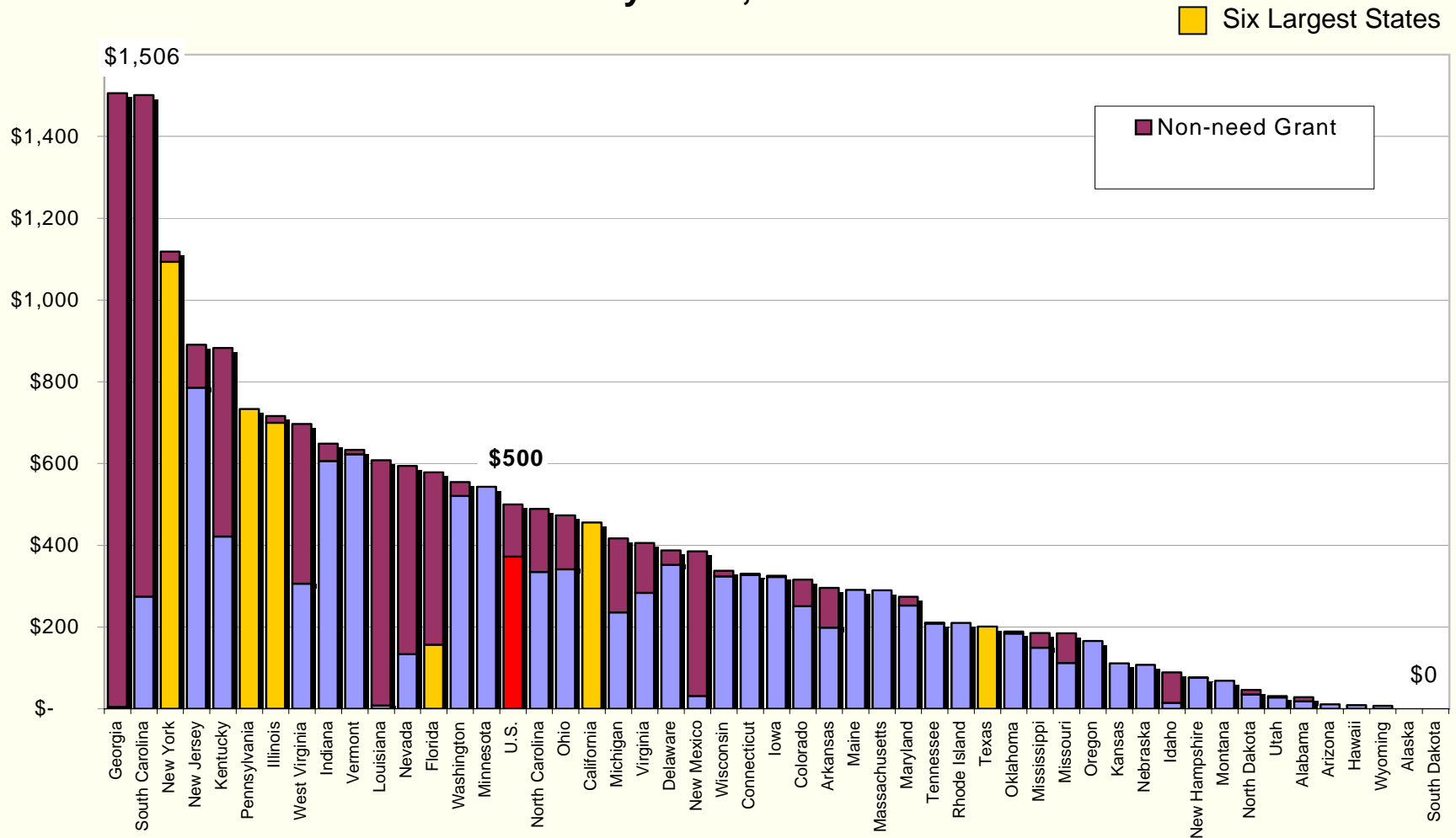
## Net Tuition as a Percent of Public Higher Education Total Educational Revenues by State, Fiscal 2005



Source: SHEE SHEF

# Diversity in Policy Among the States

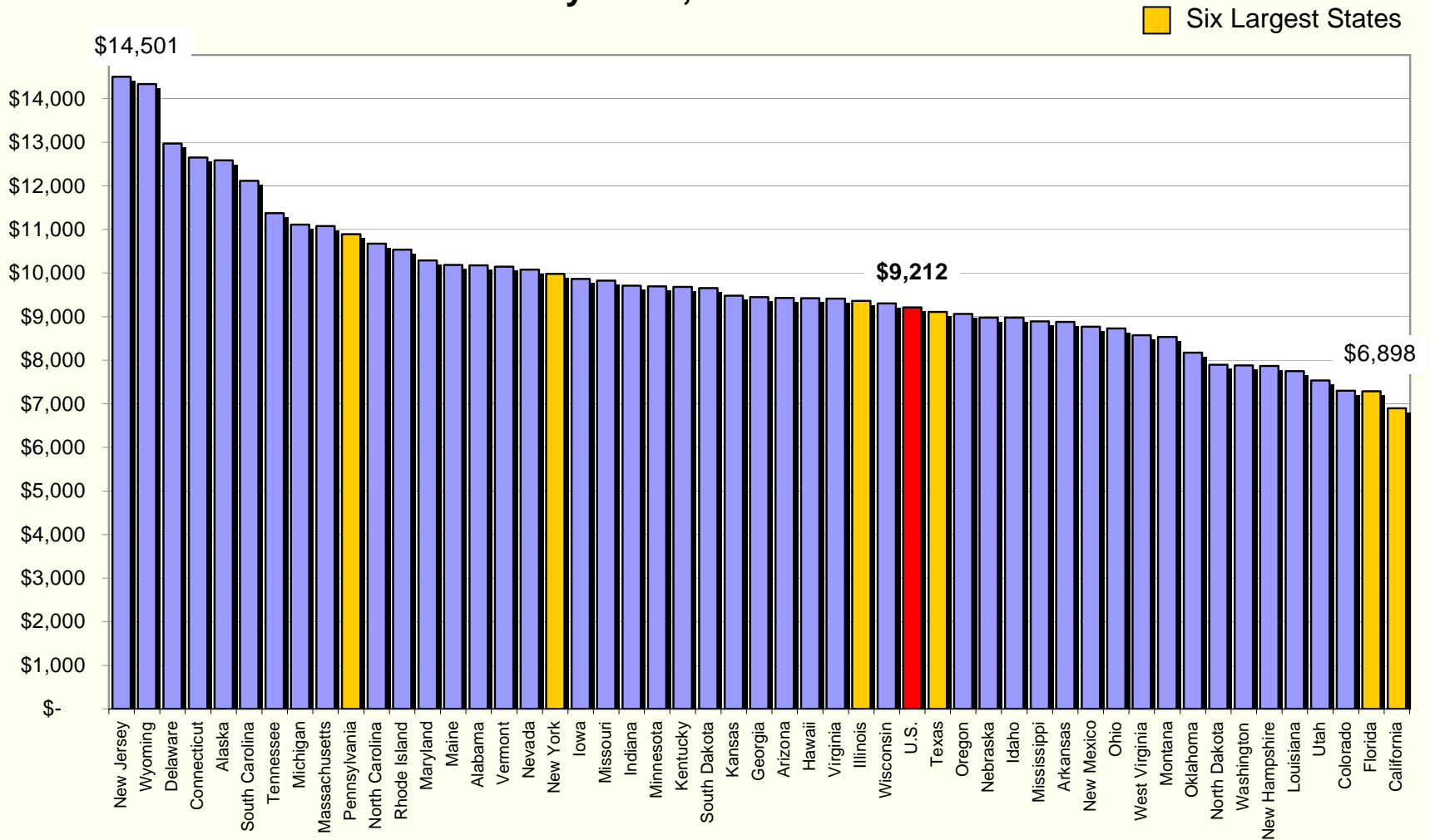
## State Undergraduate Grant Aid per Undergraduate Student by State, 2003-04



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	
<b>Annual Operations and Grants</b>	<b>\$ 68 B</b>	<b>\$ 71 B</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

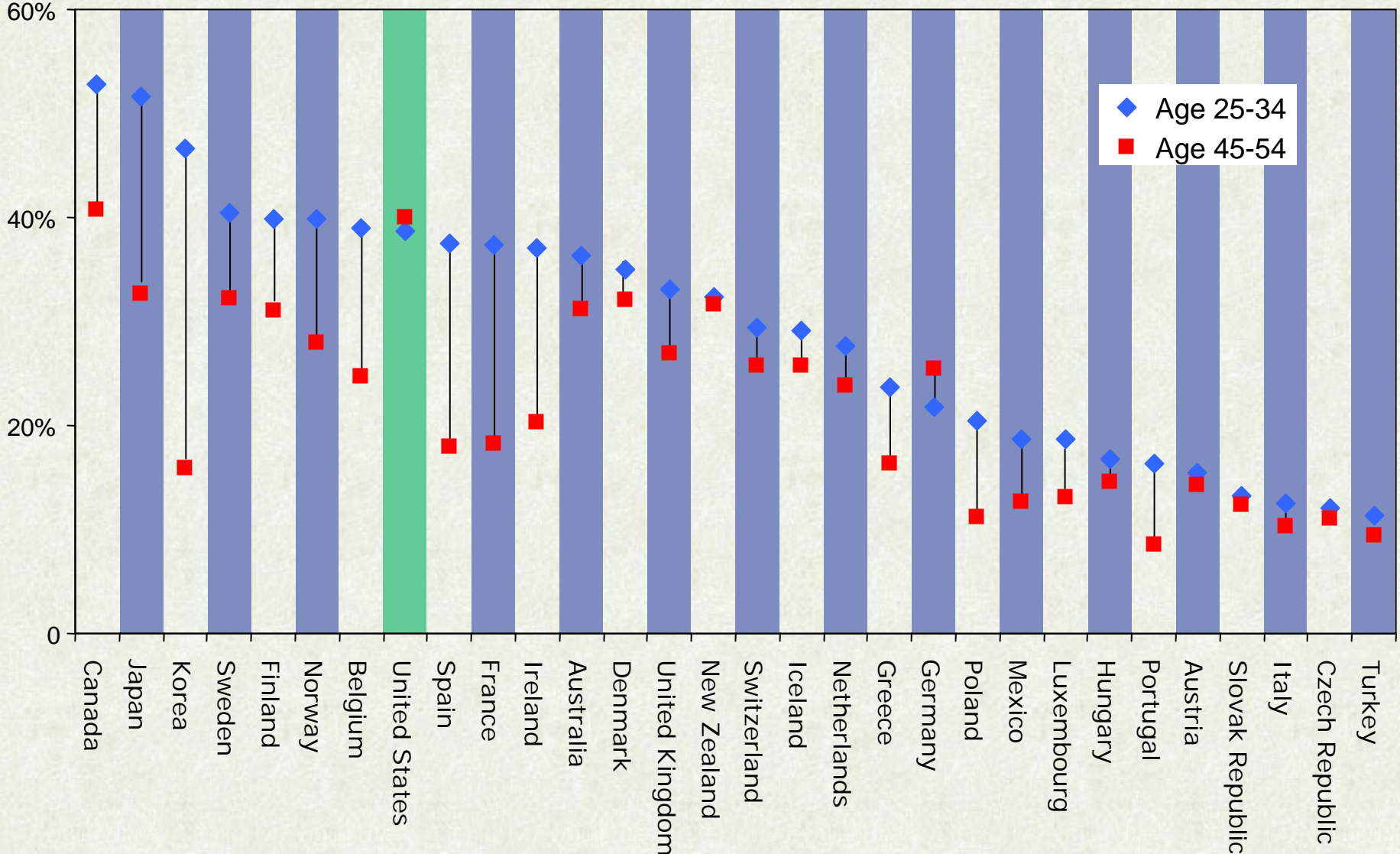
- **Global competition – *The World is Flat***
- **U.S. and Western European workers the world's most expensive**
- **Aging population, growing health care costs**
- **Immigrants, minorities becoming the workforce core**
- **Imperative to achieve more widespread success in tertiary education**



# 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

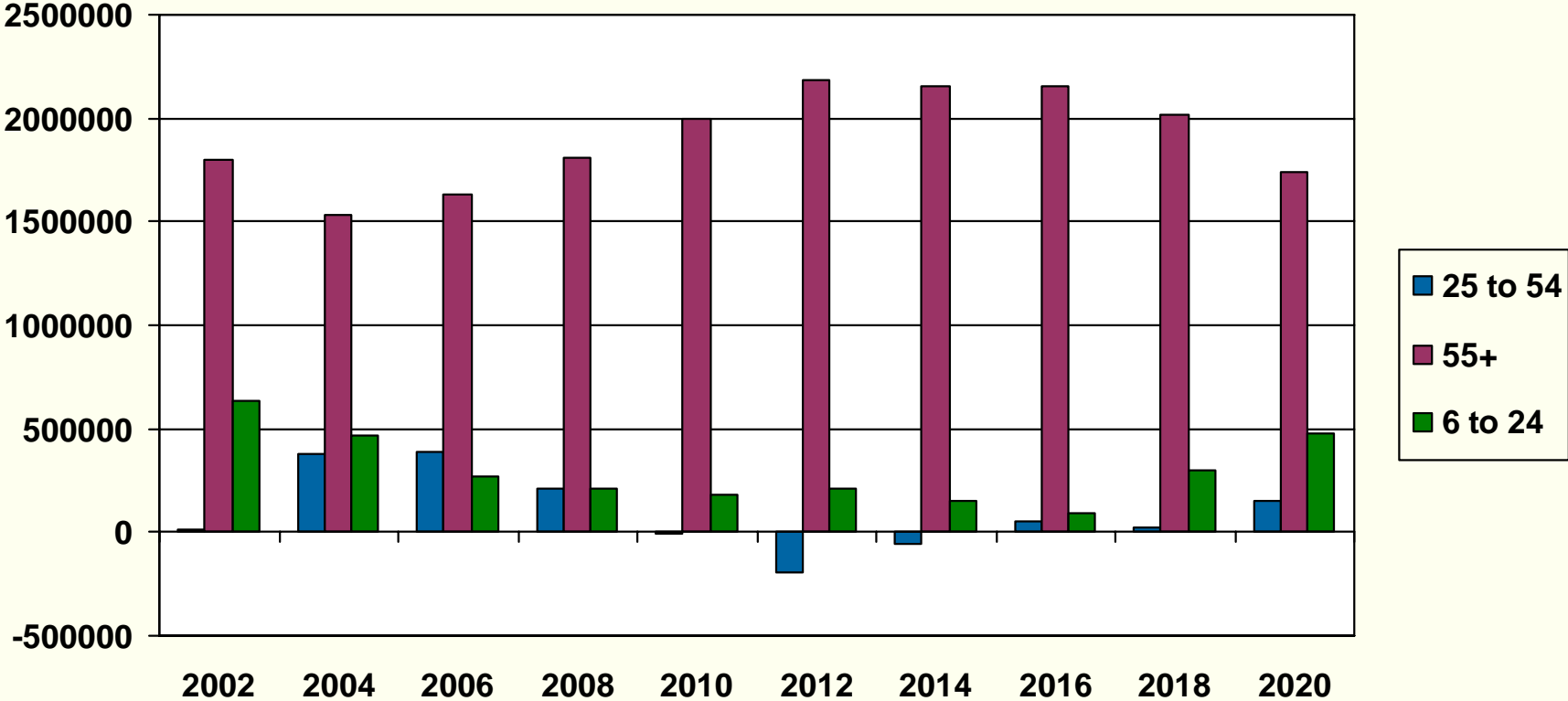
## College Participation by SES Status

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

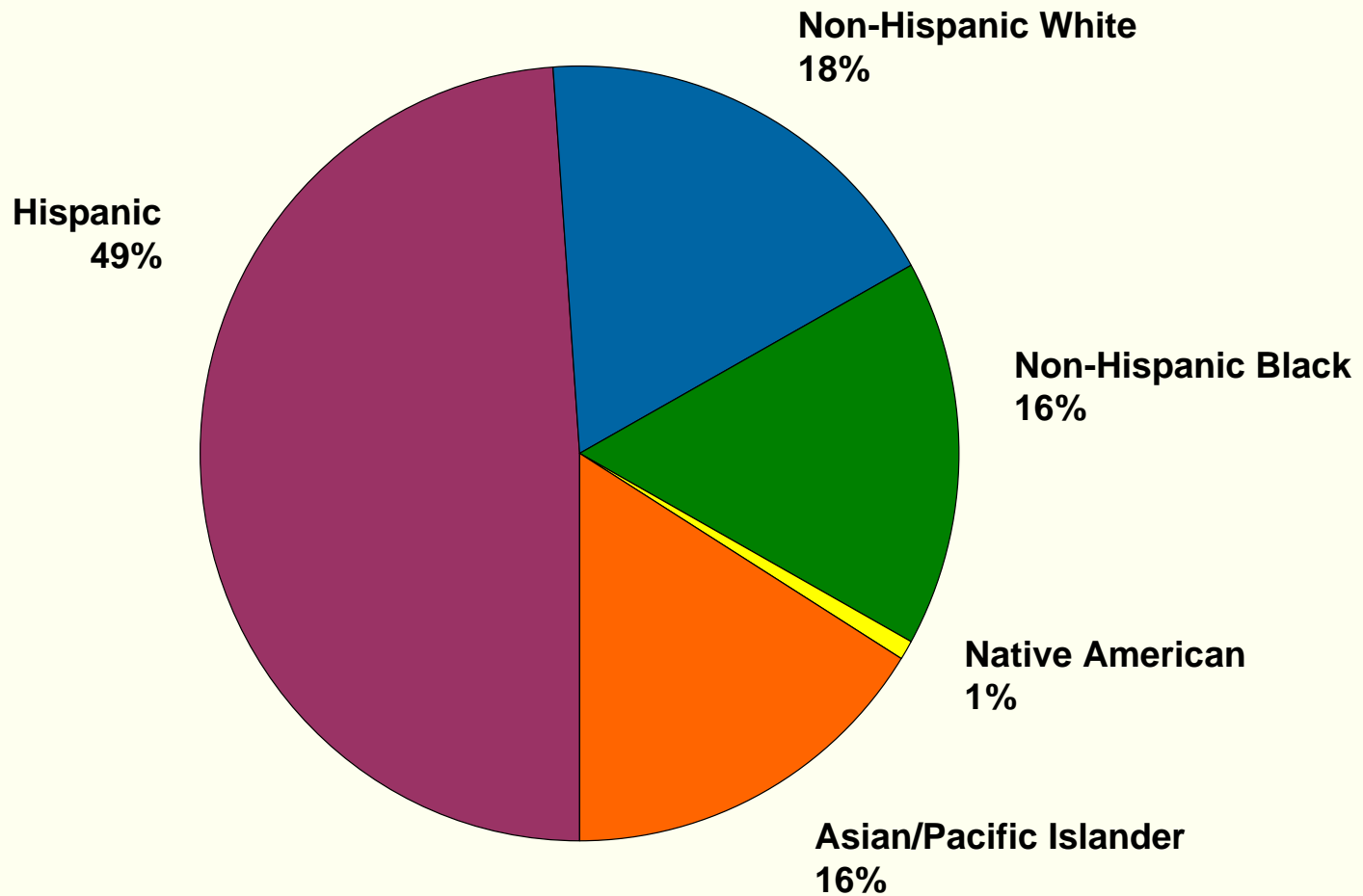
### Year-to-Year Change in U.S. Population, 2002-2020



Source: U.S. Census Bureau

# Current Challenges

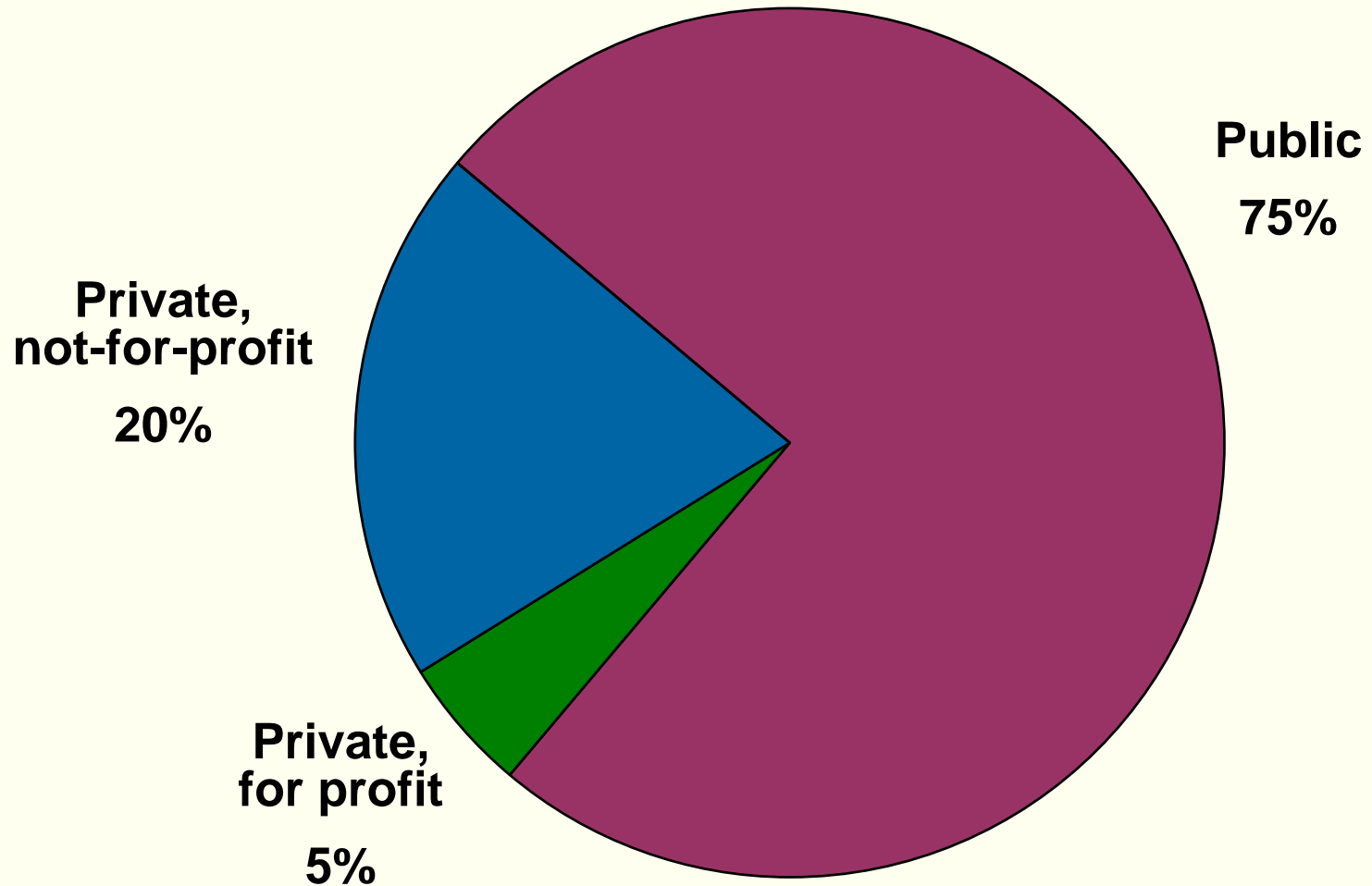
## New 18-24 Year Olds by Race



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**

## Contact Information

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