The relationship between higher education and the state has become essential, but it has never been easy. The precursors of the professors in modern colleges and universities are the ancient philosophers and scribes who passed along their knowledge and skills to apprentices. Their patrons and “governors” were undoubtedly private: the students and parents who supported them. Despite this beginning, however, the social importance of higher education has led inexorably to state involvement in virtually every nation.

In perhaps the first, most notorious state intervention, the democratic government of Athens condemned Socrates to death by suicide for corrupting the youth. Clearly, the people of Athens knew that they had a stake in higher education, even though it presumably was not tax supported. They sadly and foolishly expressed their fears and exercised their sovereignty by making Socrates a martyr.

In the martyrdom of Socrates, in the suppression of Galileo by the Catholic Church, and in far too many less famous cases, we find social and political leaders taking wrong-headed, tragic actions against scholars and intellectuals. Paradoxically, such events are both a warning about the abuse of state power and incontrovertible evidence that higher learning really matters. Fortunately, states have more often acted constructively, creating thousands of institutions and supporting millions of scholars charged with advancing and promulgating knowledge and preparing successive generations of professionals and social leaders.

Both history and contemporary practice affirm the deep interdependence between higher education and the state. The complexity and difficulty
of the relationship, however, is illustrated by an extensive literature. Richard Novak has catalogued more than one hundred books, reports, and major studies written on the topic in the United States alone from 1920 to 1995 (Novak, 1995).

Only the unread would aspire to make a wholly fresh contribution to this literature, but society’s needs for higher education are changing in important ways. It is time to revisit fundamental issues and consider the implications of changing conditions.

Toward that end, this chapter will address three questions:

- What are the contemporary public purposes of higher education? How are they changing?
- What values should govern the relationship between higher education and the state?
- How can states deal with the practical issues of pursuing the public interest in higher education?

The Evolving Purposes of Higher Education

The first colleges of the United States were established with help from the colonies to preserve the community’s religious and cultural heritage and to educate leaders for the ministry and the professions. After the Revolution the fledgling states began a long history of directly supporting colleges and universities, including helping now “private” colleges such as Harvard, Yale, and University of Pennsylvania over financial rocky spots (Rudolph, 1990). The public purposes of higher education evolved further as the people of the United States took the following series of policy actions:

- Created publicly owned “flagship universities” in each state
- Enacted the Morrill Act, signed by Abraham Lincoln, which created land grant colleges and universities to foster higher education in agriculture and engineering
- Developed universities and normal schools during the nineteenth century to train primary and secondary teachers and expand access to higher education
- Created and financed the GI Bill after World War II, for the first time enabling large numbers of lower- and middle-income people to obtain a higher education
- Created federally funded research programs to address human needs and promote the national interest
- Massively expanded public universities and created community college systems in the 1960s to educate the baby boom generation and to extend further the scope and reach of higher education
- Established federal and state student assistance programs to provide widespread access to higher education and greater choice among institutions
All of these actions were justified as essentially public, not private purposes. These initiatives implicitly argued that all people, whether or not they participate personally, benefit from and depend on the quality of higher education. While higher education clearly conveys broad social benefits, it is no longer an elite enterprise.

Some postsecondary education is now required for most jobs that support a middle-class lifestyle. More than 60 percent of high school graduates now enroll immediately in college the fall after graduating from high school, and virtually all young people in American high schools plan to attend postsecondary education.

Higher education is now expected not just to educate leaders, but also to provide economic opportunity for the masses and the large supply of skilled workers needed to assure general prosperity. In addition to workforce competence, the increasingly complex challenges of citizenship require advanced education for the general population. This is not a new idea. Ortega y Gasset (1966) persuasively and passionately made the case in his essay, *Mission of the University*, first published in 1944. The emergence of an economic order based increasingly on knowledge and skills has simply given it greater traction.

Now the public worries whether all able students can afford to attend a college or university, whether larger numbers of them are successfully completing rigorous academic programs, whether talented students are staying near home to attend college, whether they stay in the state to work, and whether the state’s research university is attracting external grants and making discoveries that will help state businesses compete more successfully.

This change has profound implications for both states and colleges and universities. In the mid-twentieth century, higher education was considered appropriate for those who are most clever in school and who work hard at their studies, perhaps one-quarter or even one-third of the population. The path to excellence for institutions was to raise standards as high as possible, hire the best faculty, and enroll the smartest students.

In the twenty-first century, many more students are expected to succeed in postsecondary education. Perhaps another third, the middle third in the natural distribution of academic talent, is expected to attain a baccalaureate degree with no compromise on quality. Institutions are being asked to bear a substantial responsibility for their success.

Universities and colleges still pursue excellence through selectivity and the competition for resources. But civic leaders and policymakers are increasingly looking for ways of assessing the value institutions add to students, and they are working to hold institutions accountable for retention and degree completion.

This change of direction implicitly poses fundamental questions about human educability and the capacity of educators to facilitate higher achievement. Obviously, twenty-first century expectations place a heavier burden on both teachers and students, but educators will find the heavier burden less familiar.
What Purposes and Values Govern the Relationship Between Higher Education and the State?

The important freedoms of thought and expression, and the corollary freedoms to teach and to learn, often are the starting point for discussions of the relationship between higher education and the state. These basic human rights are essential to a good society and central to the public purposes of higher education. But freedom of inquiry and expression are not the whole purpose: they are part of a broader array of goals, principles, and values that shape the relationship between higher education and the state.

The fundamental value governing this relationship is the obligation of higher education to serve the public interest, broadly understood. The presumption of public service is the justification for the tax exemptions enjoyed by all nonprofit colleges and universities as well as the more direct governmental subsidies provided through student assistance, grants, contracts, and direct appropriations.

The public interest is a slippery concept, of course, which is why democratic societies elect representatives to debate and determine how it should be defined and pursued. While the details and even core principles may be contested, contemporary colleges and universities generally are expected to carry out the following functions:

- Transmit the knowledge and dispositions required for responsible citizenship and the perpetuation of the cultural heritage
- Teach the knowledge and skills required for productive employment in the professions and the workplace, increasingly for most of the adult population
- Expand knowledge continuously and facilitate its use to improve human life and the economic vitality of particular communities
- Provide an open forum for social criticism, free debate, and inquiry, and ensure that students learn how to participate in such conversations constructively
- Supply a means for achieving equality of opportunity and social mobility based on talent and effort, regardless of wealth, social position, or heritage
- Perform these functions effectively and efficiently, so that students learn successfully, useful knowledge expands, and the costs to society and the student are affordable.

Practical Challenges of Pursuing the Public Interest in Higher Education

Traditionally (with Socrates, Galileo, and more recent examples firmly in mind), the academy asserts that the core of its public purpose lies in its autonomy, the freedom of faculty to decide what to study, what to teach,
and what to say about science, art, and society. Institutions of higher education are not only stubbornly independent about these things; they also require a good deal of money. These two characteristics pose large problems in developing state policy for higher education.

How can states reconcile the tension between the traditionally decentralized, independent, competitive character of the higher education industry and the need for accountability to a coherent public agenda? How can the states finance a system of higher education that is headed toward serving most of the population? How might such a system be different from or similar to traditional approaches to higher learning? States and educators need to think deeply about the fundamental issues at stake, the essential elements of excellent higher education, and what is required to achieve the public interest.

**Autonomy and Freedom.** At first glance, the idea of institutional autonomy seems entirely at odds with the equally compelling idea of accountability to a public agenda for higher education. If rightly understood, however, these ideas are not incompatible. All organizations have unavoidable responsibilities and dependencies; hence, absolute autonomy is impossible. The public interest requires that colleges and universities both enjoy important freedoms and bear significant public responsibilities.

Students and faculty must enjoy the freedom to teach, learn, and do research because these freedoms are fundamental to an open society and to human progress. Institutions, and especially public colleges and universities, have an obligation to nurture and sustain an environment where free inquiry and expression are encouraged and different ideas can be heard and debated.

This obligation does not require or even suggest that every viewpoint must have equal weight or be officially represented in the academy. Some ideas acquire a larger share in the marketplace of ideas, just as some goods and services acquire a larger market share in economic markets. But intellectual freedom requires openness to divergent perspectives, a robust exploration of such differences in responsible scholarship and teaching, and an active scholarly dialogue that permits and generates changes in prevailing thought.

From time to time some have accused colleges and universities of restricting freedom of expression because of a bias in favor of or against particular points of view. Academic leaders have a responsibility to take such charges seriously, to investigate them, and to address them if supported by evidence. History suggests, however, that serious challenges to intellectual freedom tend to come from the exercise of state power far more than from “group think” in the academy. When the power of the state is interjected into the intellectual life of any community, especially an academic community, the public interest in freedom of thought is at risk.

Pursuing the public interest in the operational details of colleges and universities, a different matter, requires balancing freedom and accountability
along a number of practical dimensions. Institutions must be accountable for using public resources responsibly, for addressing public priorities, and for pursuing their missions effectively. The state has a right and responsibility to allocate resources to public priorities and to hold institutions accountable for achieving them.

The key test for state intervention on operational matters is the same as the test that should keep the state out of intellectual content: What is in the public interest? The state should be legitimately concerned about whether the programmatic offerings of colleges and universities meet student demand and the needs of employers and society; whether institutional costs and prices are appropriate; and whether program quality is acceptable.

While the public interest must be asserted in such fundamental matters, wise states leave most operational details to institutional administrators and governing boards. Educators need flexibility and agility to be efficient and to meet changing public needs. “The Efficiency of Freedom,” the 1959 report of the national Committee on Government and Higher Education, chaired by Milton Eisenhower, cited numerous examples of costly and ineffective purchasing and hiring regulations imposed on colleges and universities. Some of these still exist. States need to judge wisely both the questions for which institutions should be held accountable and the means for doing so.

**Money and Accountability.** Because its objective is the expansion of knowledge and learning in the human race, the aspirations and appetite of higher education for resources legitimately, but unrealistically, have no upper limit. Bowen (1977) was surely not the first to recognize this, but he made the point famously. The insatiable appetite of colleges and universities for money and their (mostly salutary) drive to compete with each other enormously complicate the job of developing public policies for higher education. Quality, access, and cost control cannot simultaneously be maximized. In fact, in higher education, quality and widespread participation are deeply in conflict with cost control.

Institutional competition to enhance quality and attract students tends to push up the cost of higher education. While parents and students surely must prefer lower prices, to a point anyway, they apparently do not prefer them at the expense of access and quality. Student enrollments have continued to grow even as prices have increased, and institutions have tended to compete more on quality than on price.

To the extent that high-quality higher education is high priced, generous support for student financial aid is needed to provide access and opportunity to low- and middle-income students. When states have tried to keep public tuitions lower, increasingly larger direct subsidies have been needed to maintain competitive quality.

Without substantial public subsidies for institutional support or student assistance, widespread, successful participation and excellent quality are not feasible. Without resources and freedom to compete in the complex
market of higher education, institutions are unlikely to achieve and sustain excellence. Without mechanisms to sort through these issues and allocate public subsidies intelligently, it becomes impossible to achieve an acceptable level of cost-effectiveness.

One approach to this dilemma would be simply to let the marketplace determine all prices for higher education by limiting public support to student aid and ending direct support of institutions of higher education. This idea’s simplicity and reliance on customer choice have appeal. Almost certainly, however, the highest-quality, most prestigious educational experiences would have, by far, the highest prices. Moreover, educational opportunity for low- and moderate-income students would depend entirely on the adequacy, reliability, and effectiveness of student financial aid programs. It is easy to imagine what would be at risk in hard economic times.

Alternatively, governments could increase public regulation and diminish the extent to which institutions of higher education are competitive—making higher education a public monopoly or a much more heavily regulated public utility. This could control costs without diminishing participation and equity of access, but it would likely lead to an unacceptable deterioration of quality and a reduction in the private resources now donated to institutions.

The states and the nation have taken a middle path—typically, providing direct institutional subsidies to public institutions, along with relative operational autonomy and relatively modest tuition rates. In many states students attending private institutions are supported through state student aid and, in some cases, direct institutional grants.

Although the states have consistently chosen the middle path, it is not an easy road to travel. It requires them constantly to manage, to fine-tune, and to balance, rather than to resolve the legitimate values in conflict. High stakes and the complexity of these issues demand sustained, thoughtful attention to the development and implementation of policy affecting higher education. A related conflict involves the private and public benefits that accrue from successful completion of higher education. In effect, policies determining public tuitions and direct public subsidies for institutions reflect a judgment about the appropriate balance between these values.

States also have taken a mixed approach to institutional autonomy for public institutions. On one hand, lay boards govern and coordinate public institutions, creating a degree of autonomy. On the other hand, states regulate the operations of public institutions, sometimes substantially, and they have implemented procedures to assure accountability to public purposes. States have also imposed regulations and requirements on private institutions as a condition of receiving public support and as a means of consumer protection.

Neither the desire of higher education for resources nor the desire of governmental leaders for accountability and cost-effectiveness can be easily or permanently satisfied. Achieving the public interest in higher education
requires things that are fundamentally in conflict: institutions with enough freedom to be responsive, competitive, effective, and efficient; responsiveness to public needs as articulated by democratically elected representatives; a substantial commitment of public resources to achieve quality and access; and cost-effectiveness. No matter how broad-minded, sympathetic, and well meaning, governmental officials and higher education leaders will have different perspectives on these issues.

**Shaping Higher Education Policy**

Good institutional governance is critically important to a good state system of higher education, but it is not sufficient. Every state also needs an effective means of articulating and pursuing the public agenda for higher education. That work, as suggested above, is a constant balancing act between legitimate but conflicting values.

**The Job Description.** Conceived broadly, the work includes six tasks:

1. Collecting and providing public access to comprehensive, relevant data on higher education to help the state develop its vision and agenda for higher education.
2. Analyzing and articulating policy issues—workforce needs, pK–12 student preparation, student aspirations and demand, research needs and opportunities, the affordability of higher education to students and their families, and the needs of different geographical regions.
3. Understanding deeply the contributions, potential, and limitations of existing resources (institutional and otherwise) to meet these needs.
4. Working with educators to develop and implement strategies to meet state needs and to increase higher education’s quality, efficiency, and productivity.
5. Working with the governor and legislature to develop and gain support for an agenda for higher education that addresses their priorities and vision for the state.
6. Helping the governor and legislature develop budget allocations that address state priorities, reflect the state’s fiscal capacities, address the needs and utilize the resources of existing institutions and programs, and enhance the cost-effectiveness of higher education.

These tasks can be done in a variety of ways and in a variety of structures. But effective state policy requires that all of them be done well.

**Doing the Job.** States have approached this problem in different ways. Among the states there are statewide governing or coordinating boards for higher education, a few state boards with oversight and policy responsibilities for all levels of public education, and one state without a statewide board for higher education.
Why haven’t the states come up with a uniform approach? Possibly because they are different, possibly because every generation seems compelled to question and tinker with governance questions, and possibly because different approaches seem to work reasonably well. In that light, is a state’s coordination and governance scheme for higher education irrelevant?

No. But surprisingly, it is not whether a state has a governing or coordinating board that seems to make a difference. What seems to matter is whether the state uses whatever structure it has to deal effectively with the fundamental problems of state policy. What does it take to do this job well?

Although other issues are relevant, these four are especially important: the need for clearly assigning responsibility for policy regarding state higher education; the importance of a lay board in establishing continuity and public consensus; accountability to elected officials; and the alignment and coordination of PK–12 and higher education.

**Somebody’s Job.** The “job description” for shaping higher education policy must be assigned to somebody as a professional responsibility. Conceivably, this assignment could be given to a legislative staff group, an executive agency, the staff of a statewide governing board, or the staff of a statewide coordinating board. Regardless of who does the work, somebody needs to be held accountable for the expertise and the sustained attention required to do the job well.

It is important to stress that the job described here includes responsibility for neither legislation nor institutional operations. Those jobs belong to elected representatives, to institutional administrators, and to faculty. The distinctive professional role outlined here is to stand as a facilitator between ultimate policymaking authority and institutional operations. Those performing this role stand in the service of both those who have formal authority for developing policy and those who have responsibility for implementing it, much like a broker serving two clients.

Unfortunately, in many states public policy for higher education has not received the explicit, sustained attention that it requires. Such policy is too important and too complicated to be ignored or assigned as an occasional, part-time duty of people who have many other responsibilities. If a state decides to vest this responsibility in a legislative staff or an executive agency, the people involved should be assigned full time to this area, not also assigned to other functions of government. Moreover, they should have the breadth of expertise and credibility needed to work effectively with all the governmental and educational constituencies involved.

The same principle holds if the responsibility is vested in the staff of a statewide governing board for institutions of higher education. If a statewide governing board is responsible for advising the governor and legislature on broad-scale public policy for higher education, the board must do more than govern public institutions. It must devote some of its staff resources and
board time explicitly and deeply to these public policy issues. Simply doing a good job of institutional governance is insufficient.

Among the models commonly employed, only statewide coordinating boards for higher education focus solely on policy, undiluted by institutional governance or distracted by the comprehensive responsibilities of elected officials. The coordinating board’s focus on policy can be a wasted resource, however, if elected officials and institutional leaders do not work with the board to develop an ongoing policy consensus. Both state government and higher education have a stake in a strong, credible brokering relationship.

The Importance of a Lay Board

Although the job of focusing on higher education policy could be assigned to an executive or legislative agency, experience suggests that things work better when it is assigned to a lay board that reports to both the governor and legislature.

Education is not a branch of government, but virtually every state has established governing or coordinating boards to provide some measure of separation between government and the operation of schools, colleges, and universities. These boards are only occasionally granted full constitutional autonomy, but their independent status serves clear purposes. One is to provide a vehicle for the involvement of the private sector in public policy affecting higher education. Another is to provide a degree of professional autonomy to educators, helping to insulate them from short-term pressures of the partisan political process. Such professional autonomy is limited and conditional; it is granted because it is essential for building institutions that, over the long haul, will serve the public interest.

Lay boards should have responsibility for submitting recommendations on public policy to elected officials who, for most policy issues, will have ultimate authority. Lay boards are more likely to provide the stability of leadership and continuity needed to build a long-term perspective for higher education policy.

The staff of a lay board is also likely to be more capable of doing the most challenging aspect of the job description—working effectively with all the political and educational constituencies that have a stake in public policy affecting higher education. A legislative staff or the governor’s staff is much more likely to become entangled in issues unrelated to higher education or in partisan political matters.

Obviously, these advantages of a lay board do not endow them with ultimate wisdom. Lay boards and their staff can be ineffective if they do not establish working relationships with elected officials; they must be held accountable for the public interest in higher education and for working effectively with both elected representatives and educational leaders.
States have developed various approaches to assure that lay board members are broadly representative and that they have a fair chance of building consensus across partisan party lines. A working, bipartisan consensus on education has become more difficult as political leaders compete for leadership in reform, but it is no less necessary. A state system of higher education cannot thrive if it is a significant factor in partisan conflict or if its leaders depend on political patronage.

**Accountability to Elected Officials**

The elected representatives of the people have the last word in public policy for higher education just as they do for every other matter of law and public policy in a democracy. It is not possible to develop and implement public policy effectively without their cooperation, involvement, leadership, and consent. The principle of being insulated from the political process goes too far if it also means that policy for higher education is insulated from the passions and priorities of the governor and legislature.

Within the time-honored tradition of checks and balances built into state and federal constitutions, a variety of workable approaches have been developed to hold higher education accountable without direct political control. Of course, any approach, including those discussed favorably below, can work badly if those involved violate the spirit of shared power and cooperative action.

A system in which governors have the power to appoint members of lay boards to fixed terms of office, staggered so that the boards have continuity over any governor's single term, provides both political responsiveness and stability. For statewide policy responsibilities, it is also helpful if the chair of a lay board serves at the pleasure of the governor. This practice is likely to assure that the governor has a strong voice, but not the only voice in shaping the deliberations of a state board charged with developing policy recommendations for higher education. It also is likely to ensure that the views of the statewide board will have a fair hearing in the executive branch.

In some states the governor plays an even stronger role, appointing the chief executive of the statewide board for higher education or having that person, appointed by a lay board, sit as a member of the governor's cabinet. If the governor does not appoint the chair of the board, having the executive director or chancellor serve in the cabinet can achieve some of those purposes.

The ability of a statewide board to work effectively with legislative and institutional constituencies is stronger if its chief executive is not a formally appointed member of the governor's cabinet. A statewide policy board obviously must work closely with the governor in order to be effective, but it can be helpful, even to the governor, for the board also to have a credible, independent role with the legislature and institutions.
A statewide board should have a clear responsibility to articulate and pursue the public interest and a public agenda for higher education, working with political leaders, but not as part of the partisan political process.

In specific situations, both institutions and elected officials will want the board to be unambiguously on their side. Elected officials will want a compliant board when things are tough; institutions will want the board to be a strong advocate for their needs and wants.

An effective board must be perceived as partially on everybody’s side, but wholly on the side of the best possible higher education policy for the state. This means that the board will challenge elected officials to do their very best on behalf of the public interest in higher education, and it will challenge institutions to do their very best on behalf of the public. Elected officials and institutional leaders will not always welcome such challenges, but they will benefit from them if they are based on expertise, good information, and sensitivity to both sides.

While it is rarely easy, a statewide board can obtain support from both elected officials and institutions. First, the foundation of its credibility should be its leadership and that of its staff in articulating and pursuing the public agenda for higher education. It then must demonstrate a willingness to listen carefully to all perspectives, work for mutual understanding, respond promptly and professionally to the requests of elected officials, and, at the end of the day, implement the decisions of duly elected public officials whether or not they reflect perfectly the board’s own views.

**Conclusion**

State policymaking for higher education is at a critical juncture. In the late 1950s and early 1960s Sputnik inspired far-reaching educational reforms and the states mobilized to educate the baby boom generation. Today the core issue is assuring that the next generation, which will be competing in the global, knowledge economy, has a fair shot at economic opportunity and prosperity.

Policy for higher education has never been easy for the states. The mixture of private and public benefits involved; the decentralized, competitive nature of the industry; its unquenchable thirst for resources; and the tradition of professional and institutional autonomy pose difficult challenges for the political process.

But sustained financial support and good state policy are essential. The public interest requires states to get on top of policy issues affecting higher education. They must find a path leading to the public’s goal—high quality, affordable cost, and widespread, successful participation. That path must include balancing the legitimate values that compete for priority and protecting the attributes of higher education that are the foundation of its quality and contributions to society.
References


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