



National Commission on Accountability in Higher Education
Testimony of Larry A. Isaak, President
Midwest Higher Education Compact
May 10, 2004

Background

My name is Larry Isaak, President of the Midwestern Higher Education Compact (MHEC). I commend the State Higher Education Executive Officers organization under the leadership of Paul Lingenfelter for its efforts to develop this important initiative. I also commend the members of the Commission for committing their service to developing policy actions on this relevant topic.

My comments reflect my experiences during a thirty year career in state public service including being Chancellor of the North Dakota University System (10 years), the chief administrative officer for the North Dakota University System (10 years), chief state budget analyst (3 years), and assistant legislative fiscal analyst (7 years). During this time I had the opportunity to be the chair of SHEEO and serve as a commissioner for MHEC and the Western Interstate Commission on Higher Education (WICHE). In November 2003, I was appointed the President of MHEC. Since that time I have had an opportunity to observe higher education in the ten Midwest states comprising MHEC. My thoughts on higher education accountability were significantly shaped by participating in a North Dakota initiative known as the North Dakota Higher Education Roundtable.

North Dakota Higher Education Roundtable

(A significant portion of the following comments were taken from the 2000 Report of the Higher Education Roundtable.)

The North Dakota Higher Education Roundtable was formed in 1999 in response to a study resolution passed by the 1999 North Dakota Legislative Assembly. The resolution directed a study that would:

... address the expectations of the NDUS in meeting the state's needs in the twenty-first century, the funding methodology needed to meet these expectations, and an accountability system and reporting methodology for the NDUS.



A 21 member legislative committee was formed to conduct the study. This group was augmented by an additional 40 leaders from government, education, and the private sector to form the Roundtable. It was chaired by one of this Commission's members, State Senator David E. Nething.

The Roundtable task was future oriented. In his initial charge to the Roundtable, Senator Nething stated "As state leaders we must rethink the role higher education plays in relation to economic and social needs and then carefully reexamine policies, structures, and operating principles in light of this new vision. ... We need to do this, not for higher education, but for the sake of North Dakota."

The Roundtable first reviewed trends specific to North Dakota that were shaping the environment in which North Dakotans must live and compete. They looked into the future and saw a state that, in the absence of overt action, would continue to lose population, fall farther behind the rest of the country in per capita income, and be unable as a state to compete in the new information-based economy.

From the beginning, the focus of the Roundtable was on outcomes that could reverse these trends. They established the goal of the Roundtable to be:

*Enhance the economic vitality of the North Dakota and quality of life of its citizens through a high quality, more responsive, equitable, flexible, accessible, entrepreneurial, and **accountable University System.***

Out of consensus arose the Roundtable's expectations that the NDUS would focus its considerable assets and talents on 1) promoting the expansion and diversification of the state's economy, and 2) enhancing the quality of life of the citizens of the state. The Roundtable established the following six cornerstones for the focus of the NDUS:

- Economic development
- Educational Excellence
- Flexible and Responsive
- Accessible
- Funding and rewards
- Sustaining the vision

The specific steps recommended by the Roundtable were numerous, more than 90 in all. Taken together, however, they combined to form a simple message – there must be a new form of relationship between the NDUS and state, a relationship based on trust and



common purpose rather than suspicion and skirmishes over power. The Roundtable said that both the NDUS and state government must change the ways in which they carry out their necessary and different responsibilities.

The basis of this new relationship was stated by the Roundtable as “**flexibility with accountability**”. The Roundtable said the NDUS must have freedom of action to pursue the agreed-upon agenda, but it must be accountable, for both resources used and results obtained. It also said the NDUS must behave (and be allowed and expected to behave) in a much more entrepreneurial manner. In return for these new-found freedoms, the Roundtable said the NDUS has to be able to demonstrate that it is:

- Contributing to economic growth and diversification;
- Enhancing the quality of life of North Dakotans;
- Accessible and responsive to citizens and employers;
- Sustaining a level of quality that makes it nationally and internationally competitive in attracting both talent and clients; and
- Using resources both legally and responsibly.

The Roundtable report calls for all parties to the relationship to change their behaviors and methods of doing business in important ways. The overarching themes call for:

- The NDUS to cease thinking of itself as a ward of the state and to take greater responsibility for its own future.
- The legislative and executive branches of state government to free-up and unleash the potential of the NDUS – to change the budget building, resource allocation, and audit practices to reflect the new compact between the state and the NDUS.
- The private sector to meet the NDUS half-way in establishing mutually beneficial partnerships and to provide mentors and learning opportunities for a new generation of North Dakota entrepreneurs.
- All parties to keep alive the spirit of the Roundtable, continuing the dialogue ... that has been achieved through a process of bringing together leaders, many with conflicting views to deal in an atmosphere of mutual respect with the problems they have found to be their common concern.

Accountability measures were developed to match the Roundtable recommendations. In the end, thirty nine measures were agreed to by the legislature and State Board of Higher Education. These measures are reported on annually. The Roundtable said that the measures are the key elements of the new relationship and that the measures make concrete the expectations levied on the NDUS. At the same time, they said the measures



limit the freedom of other parties to expect accountability measures outside the domains established and agreed upon.

Observations and Recommendations

Determining accountability measures for higher education is a difficult task to say the least. However, it is a task that must be engaged if states, through their higher education entities, are to meet the challenges of the twenty-first century that is characterized by a global economy, increased competition for state resources, increased demand for access, increased competition to serve citizens, increased need for cutting-edge research, and responsiveness to meet the education required for the jobs of a future and more scarce workforce.

A February 2003 report by the National Center for Public Policy and Higher Education entitled, “Purposes, Policies, Performance: Higher Education and Fulfillment of a State’s Public Agenda” states: “A state needs the political will to set the public agenda – to formulate clear definitions of public purposes it expects higher education institutions to help attain ... States must also work to maintain a balance between the evolution of their own public purposes on the one hand and evolution of institutional goals on the other.”

To this end, I offer the following suggestions for the Commission to consider as it develops its recommendations.

1. It is very important to first determine the expectations for higher education’s role in the public agenda for the state – in other words, “accountable for what?” This effort will raise the discussion to a conversation about the public agenda for a state and the role of higher education in carrying out that public agenda.
2. Emphasize a process for setting accountability measures that creates buy-in from the higher education community, the legislative and executive branches, and the private sector. Engage committed higher education, state and private sector leaders.
3. Link the state’s economic vitality to a public agenda for higher education.
4. Focus on outcomes not inputs. Don’t establish accountability measures based on “gotcha”.



5. Some of the outcomes that should be considered include:
 - Expansion and diversification of the state's economy;
 - Enhancing the quality of life of the state's citizens;
 - Developing a future workforce;
 - Success of students in acquiring proficiencies to be successful;
 - Investments in helping students achieve the necessary proficiencies;
 - Student satisfaction with their experience;
 - Employer satisfaction with employees and responsiveness to employer education and training needs;
 - Student performance compared to benchmarks;
 - Student completion;
 - Reasonable costs for students to be successful; and
 - Creating a seamless experience from high school to college.
6. Use an independent facilitator to lead the discussion, frame the right questions and make suggestions.
7. Limit the number of accountability measures.
8. Try not to focus the discussion on governance and structure. This will diminish the importance of developing accountability measures focused on the state's public agenda.
9. Re-engage the process periodically to review success and adjust the measures where necessary.

Thank you for this opportunity to provide this testimony. Again, I commend your foresight and willingness to engage in this important and relevant issue.

A handwritten signature in black ink that reads 'Larry A. Isaak'.

Larry A. Isaak, President
Midwestern Higher Education Compact