

**RECONCILING FLEXIBILITY AND FIRMNESS
IN STATE BOUNDARIES IN PUBLIC HIGHER EDUCATION:
RESEARCH UNIVERSITIES AND STATE COLLEGES**

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PART ONE: INTRODUCTION

Today one is surrounded in Dolby sound by messages about the values of the free market. From society and the broader economy in general to the particular Halls of Academe, we are assured that the correct path to prosperity is that of deregulation, decentralization, privatization, globalization, information technology (IT), reinventing government, Total Quality Improvement (TQI) and the beat goes on. We are forcefully told that getting power as close to the operational level as possible is the wisest mode of its application. One Boston University economist, Jeffrey Miron, in responding to some research that MacTaggart and Berdahl did on the possibilities of charter colleges in Massachusetts (2000), noted that the authors did not go far enough in recommending greater procedural freedoms for a few selected public colleges and trumped their ace by urging that ALL public institutions be sold to private bidders and those that could survive in the healthy free market competition would do so, and as for the others, good riddance.

However, one must recognize that there are very many voices, more moderate perhaps than Dr. Miron, who, while seeing the value of maintaining a public sector, are seeking a major pull-back of state regulation of that sector. They urge that the states use fiscal incentives, rather than negative regulations, to stimulate higher education institutions to respond innovatively to market forces, and, as part of that deregulatory package, they normally include a lessening or cessation of the state role in approving public sector role and mission assignments and in approving proposed new academic programs. In the context of distance education, information technology and “The University of Phoenix is coming”, such advocates sometimes add that not only institutional boundaries but even state boundaries are increasingly moot.

Of course, given the culture of Academe, the resulting greater freedoms in the public sector will inevitably mean both a proliferation of new doctoral programs and implicit, if not explicit, efforts to achieve changes in role and mission, up the ladder of the Carnegie Classification system. While Carnegie is currently engaged in work to revise the old system that was so obviously tied to a hierarchy of prestige, no one that we know thinks that a new set of categories or definitions will alter the understandable desire of: 1) many faculty to teach more advanced courses, to teach fewer courses, to teach more qualified students, to supervise and perhaps undertake more research, and to function with better libraries and laboratories; or 2) most presidents and trustees to use higher qualified students, more research-oriented faculty and better campus facilities to achieve even better students, more research funds from industry, more state dollars and more private philanthropy.

European scholars have termed this incessant pressure to improve to be a matter of “academic drift” and have noted that in the absence of any state counter-measures, there will be more institutions attempting to move up that hierarchy of prestige. One might note here that a few entrepreneurial institutions have accomplished this upward thrust with FEWER state tax dollars, rather than more (Clark, 1998). But if the upward movement is widespread, there will surely be a greater demand for state support, and this at a time when the public research universities are straining under current state fiscal conditions to stay competitive with public research institutions in other states, with the very powerful and generally rich private research institutions (Alexander, 2001), and with their counterparts in the rest of the world.

As an example of what we are arguing against, our own University System of Maryland's former Chancellor, Don Langenberg, suggested in a concluding essay to a recent book on multi-campus systems (Gaither, 1999), that research universities may be headed for ultimate decline. Systems in contrast are portrayed as enduring forms of governance which will prove adequately flexible to the demands of the changing technological, economic and demographic challenges, while universities are seen (p.227, quoting Peter Drucker,) as "relics (which) won't survive." Elsewhere in his chapter is a parenthetical allusion to universities as "trans-Atlantic luxury ships of yore--the Titanic perhaps" (p.224). Langenberg's creative speculations about possible futures are put forward with attractive candor and humility, but they invite further speculations with different scenarios.

One different scenario is that universities, far from becoming "relics", will continue to survive and even prosper in the "brave new world." There is a marvelous quote from Clark Kerr:

About eighty-five institutions in the Western World established by 1520 still exist in recognizable forms, with similar functions and with unbroken histories, including the Catholic Church, the Parliaments of the Isle of Man, of Iceland and of Great Britain, several Swiss Cantons and seventy universities. (1982, p.152)

Of course, the fact that universities have proven both tough and adaptable until now does not guarantee their safety in the future. However, one puts one's confidence less in history and more on necessity, for research universities play such a vital current role for society. While the greater number of non-traditional students will often use more non-traditional institutions and delivery modes (if that is their desire or need), there will still be a strong market for students in the 18-24 year old market who want the broader benefits of residential education and, even more importantly for our central argument today, there will continue to be a need for advanced doctoral students to have intensive one-to-one relationships with major professors, which relationships can be aided, but not replaced, by computer technology. Society's needs for cutting-edge research in fields like health, agriculture, defense and industrial development point to a continuing crucial role for at least a limited number of world-class research universities, private AND public. That states like California, Michigan, Wisconsin and North Carolina have been willing and able to develop such institutions in the public sector is much to their credit, but it also raises abiding concerns about their ability to continue to do so in the face of such widespread pressures for market freedoms to proliferate expensive advanced programs in the public sector.

Here we call in the assistance of a former colleague, Robert Birnbaum, who has written both a book on **Management Fads in Higher Education** (1999) and a coauthored paper on "The 'Crisis' Crisis in Higher Education" (2001). His convincing prose has persuaded us that movements like PPBS, TQI and Re-Inventing Government have come in the broader society and sometimes done some good, but essentially ultimately collapsed of their own shortcomings, just about the time that higher education decided that we should try them too! And in his Crisis piece, he sharply points out that persons of good will have been predicting higher education's decline and fall not just for decades, but for centuries! Of course, one of these days the Cassandras may be right--as a colleague noted who said he had a friend who had predicted nine of the last three recessions! The danger is, of course, that three times the prediction was correct and persons who tended to be skeptical would have been proved wrong on those three occasions.

Skeptical though we are about what we consider to be the excessive claims of the market enthusiasts working in higher education analysis, we have to admit the possibility that we may be wrong. Therefore, we are proposing three sets of policies to make our anti-market position less rigid.

1. More market freedoms in higher education but confined mainly to the procedural side (more below in Part Two).
2. Periodic state re-evaluation of institutional role and mission assignments (more below in Part Five).
3. State incentives to encourage joint doctoral degrees between cooperating institutions during the interims between periodic re-evaluation of role and mission (more below in Part Six).

First, as Part Two will elaborate, we do urge a turn to more market freedoms for U.S. higher education--but only in areas dealing with what we call procedural autonomy--the so-called *How* of Academe. In areas dealing with substantive autonomy--the *What* of Academe, we call for the state to continue monitoring the diversity of the role and mission of the public sector, in order to prevent a mass movement of academic drift into the research university sector and in order at least to monitor another recent trend: the efforts of some two year public colleges to become four year. This state role in substantive autonomy does not, of course, extend to matters of curriculum content and peer judgments for the hiring, promotion and termination of faculty. These and related areas belong to the time-honored area of academic freedom and have usually been recognized as belonging to the domain of the faculty. (For an elaboration of this argument and the domains of procedural and substantive autonomy, see Berdahl, 2001).

Then, in order both to get more relevant facts and to gather more broadly informed opinions on the next two proposed policies, we sent out in the Summer of 2002 a survey to all State Higher Education Executive Officers (SHEEOs) and to about 30 scholar-friends (on both sides of the issues). (The cover letter and the Survey can be seen in Appendix A.) The factual responses are briefly reviewed in Part Three and the opinion responses are presented in Part Four.

Based on those survey results, we present in Parts Five and Six our recommendations for reconciling firmness and flexibility in public sector differentiation of function.

Thus, in Part Five, as a second compromise with rigidity, we recognize and elaborate on the notion that nothing is forever. The state, therefore, through its statewide board of higher education, needs to have in place a careful process to re-evaluate periodically the basic role and mission of all public sector institutions. Obviously the relevant governing boards in coordinating board states will also be involved, but the state agency jurisdiction is most likely to take a broad public interest orientation.

In Part Six as the third compromise, we recommend that, during the interims between periodic state re-evaluation of institutional role and mission, the state should create a process for public sector institutions to offer joint degrees--even joint doctoral degrees, when the broader public interest

points to such an expansion of program offerings as being both justified and cost worthy, and when a very careful process is in place to approve the few worthy and to deny the many unworthy proposals that will come pounding down that road once a path is opened. We will examine the conditions that need to be attached to this sensitive process with particular reference to recent efforts to revise the Master Plan in California.

PART TWO: PUBLIC ENDS, PRIVATE MEANS

The above phrase, Public Ends, Private Means, is the subtitle of a recent book by John Donahue of Harvard: **The Privatization Decision** (1989) in which the author elucidates the notion of using essentially private organizations to accomplish important public social goals, but doing so in a way which, while it gives the private organizations maximum procedural freedoms, ensures that they are effectively serving the public ends in question. Terry MacTaggart and one of us (Berdahl), in a recent study on charter colleges (2000), recommended essentially the same twin considerations: treating a few, carefully selected public sector institutions as though they were private organizations when it came to their freedoms to pursue their goals through whatever procedural means seemed most efficient to them, but with the state retaining the power to approve changes in public sector role and mission, and to engage in longitudinal assessment of student learning outcomes, institution-specific. The institutions would ideally produce a variety of outcome measures appropriate to their own role and mission, and these would be evaluated, not against the different measures of other institutions, but against their own results five years earlier.

According to this logic, state governors and legislators should recognize that the huge panoply of procedural controls on public institutions in most states is really a means toward an end, and not an end in itself. The end, presumably, is the efficient and effective delivery of the teaching, research and public service activities of higher education in the state, and if these can be achieved more effectively by a lessening of state procedural controls, then state officials should have the courage to follow that course of action. We realize that decades, if not centuries, of tradition have added layer after layer to the accountability movement and that the various state controls over tax dollars—ranging from pre-audits, to line-item budgets, to personnel, purchasing and building controls, to post-audits—are put into place to avoid fraud, abuse and malfeasance. But again, when a public honors college like St. Mary's in Maryland, can go before state officials with a governing board composed of citizens like Benjamin Bradlee, Editor of the *Washington Post*, Paul Nitze, former National Security Council senior executive, Andrew Goodpastor, former General in charge of NATO, and Steven Muller, President Emeritus of Johns Hopkins University, the college in question might legitimately ask the state to take a risk and grant maximum procedural freedoms while promising to remain accountable to the state in its basic role and mission, and in its reporting of student learning outcomes over an extended period of time, with benchmarks specific to that institution.

The question immediately arises, of course, about the values and dangers of awarding similar freedoms to other public sector institutions which may not have governing boards of such stature, or which may be part of a vast multi-campus system where even sophisticated trustees would be hard-

pressed to monitor the detailed fiscal probity of all the institutions in the system. (The other of us, Woda, has served on the University System of Maryland Board of Regents as a student member and acknowledges that it would be more difficult, but not impossible, for even a very high quality system board to monitor in great detail the fiscal probity of all its many constituent institutions.) If the procedural freedoms are nevertheless extended more broadly across the public sector, occasional fraud or abuse may occur, but one hopes that in such a case, the state officials in question would accept that the correct response would be to change trustees and/or presidents, rather than doing away with the freedoms that allow most other participating institutions to buy their computers more quickly and more cheaply, to put up buildings more quickly and more cheaply and to hire, pay and promote institutional staff on a merit basis, rather than through rigid state bureaucratic procedures, and in general to profit from the greater sense of morale that accompanies a greater sense of self-government. (See the Berdahl case study of St. Mary's College in MacTaggart, 1998.)

What this means, then, is that we are recognizing and even agreeing with some of the clamor for extending more market freedoms to at least some public sector institutions (and more, if, over time, those not rewarded with early lessening of state controls, make a determined effort to put their fiduciary house in better order later to join the club). But we hold strongly to the other half of the package: that the state retains its monitoring role on the substantive side. We do this in response to Martin Trow's historic 1972 analysis for the OECD of the elite, mass and universal access phases through which systems of higher education might pass. Certainly, the U.S. with our broadened access was leading the way in that evolution, but more recently many European countries have experienced at least the transition from elite to mass systems. Explicit in Trow's analysis was the need for the diversity of institutions to expand as the heterogeneity of students attending increased. Thus, today, most U.S. states are blessed with a variety of institutional types: public two year, four year, five year and doctoral granting institutions, private liberal arts colleges and sometimes private research universities. In addition, some states have technical colleges and most states also have proprietary institutions, with distance education courses increasingly offered any time, anywhere, in-state and out-of-state.

The question before us becomes, then, if the vaunted market freedoms were to be extended broadly over the entire public sector and not limited to the procedural dimensions, would the academic drift result in many institutions trying to move up the Carnegie scale?¹

We are aware of the case made by some proponents of adding at least some doctoral programs to the former state colleges when they point out that the research universities tend to focus their doctoral programs on the discovery of new knowledge, and often prepare their doctorates primarily for academic or scientific careers. The fields of applied learning, they urge, tend to be neglected and provide a market niche that, failing a prompt public sector response, may be filled by the University of Phoenix or its counterparts in the proprietary sector. (We know an unkind colleague who has defined applied doctorates as programs where anyone who applies, is admitted!) But, even granting the legitimacy of the market niche notion, we have a set of questions, which need answers.

¹ In our research, we were surprised to discover the increasing extent to which public two year colleges in several parts of the country are aspiring to add upper division work and, either alone or in concert with a cooperating four year institution, begin to offer Bachelors' degrees. We will not pursue that issue in this paper, but signal other scholars that it is a topic worthy of serious study.

1. What is the harm to the public interest if some of that market niche IS occupied by a Phoenix, or its equivalent? We are assured, over and over, that the quality in distance learning can be comparable to the best in the public sector, and certainly that development would not drain limited state tax dollars from the rest of the public sector. Obviously the ability of limited income students to attend a Phoenix instead of a cheaper state teachers college would be a major drawback of going this route. Below we will propose policies, which will address this issue.

2. What are the state college faculty qualifications to supervise doctoral-level research? One of us, Berdahl, taught at San Francisco State College (as it then was) for ten years (1959-69) and respected enormously most of his colleagues, many of whom came with doctorates from some of the finest Midwest universities. But also, more recently in Maryland, he was party to a possible University/state college collaboration in which faculty at the University were shown the Vitas of potential colleagues in the other institution. Teaching, as most of them were, four courses a week, having closest access only to modest library and laboratory facilities, it was no wonder that most of them had not found the time to undertake very extensive research. While we strongly subscribe to the Ernie Boyer effort to broaden the notion of scholarship to include its discovery, its synthesis, its transmission but also its application, this still raises problems about the readiness of most former state teachers colleges to offer their own independent doctorates. As good as many of them are dealing with the synthesis, transmission and application of knowledge; the thinness on the discovery side raises important questions. Here we want to stress the issue of the academic quality of the broadened offerings, which understandably ambitious institutions want to place before the consuming public. One can counter: Let the buyer beware, but we would hope that most alert and courageous state higher education agencies would be ready to grasp this nettle. After all, consumer protection should legitimately be considered one of their primary functions. We are informed that, so far, this issue has not become “front burner.” for the regional accrediting associations, which might be evaluating the former state colleges now aspiring to offer doctoral-level work. Perhaps it will in the future?

3. Proponents of the market call our attention to “globalization” and say that in the long run, quality programs will actually win out. According to this new look, any campus should be able to offer any program it wishes, and if it is good enough to survive in the market, it will. If not, the program will disappear (one wonders what happens to the students in question during the meantime?). While this notion that, over the long haul, quality will win out may operate in the hard sciences and engineering, some of us fear that in the social sciences, humanities and education, a form of Gresham’s Law, in which weaker programs damage stronger programs, may operate. After all, most states fund most of their public systems of higher education most of the time in a context of limited state resources. (A recent study by Harold Hovey for The National Center for Public Policy and Higher Education (1999) confirms that the long-range fiscal prospects for public higher education are not good in most states. And this in the face of significant enrollment increases in most states over the next ten years!)

This means that if many institutions escalate their doctoral program offerings, with concomitant increases in faculty salaries, decreases in faculty teaching load, improved libraries and laboratories, the states may have to stretch those limited resources much more thinly, and the efficiency and effectiveness of higher education may suffer, particularly in the high cost research university sector.

Our third question is, therefore, how can we be sure that the proliferation of doctoral programs in public sector institutions not previously offering them will not result in a lessening of state support for the public research universities?

King Alexander's research has already revealed the serious extent to which public sector research institutions are steadily losing ground to their private sector counterparts (2001). Do we really want to see a national profile of institutions in which nearly all the major research institutions are in the private sector? Even with substantial student aid policies available at most private research institutions, there still remains the broader issue of the access of low-income students to advanced doctoral work of high quality. Surely, states, even when they yield to current advocates for de-regulation of higher education, can recognize the consequences of failing to confine the desired de-regulation mostly to the procedural side of state regulations over higher education.

PART THREE: STATE PRACTICES REGARDING DIFFERENTIATION OF FUNCTION IN THE PUBLIC SECTOR

Having tried to establish in Part Two that states, while de-regulating the procedural side of higher education, should retain state controls over the substantive side, the question then becomes: does the state have a formal or informal pattern of differentiation of function in the public sector, and if it does, should these state controls over substance be firm or flexible?

There is no single answer to that question. Some of us in policy studies say that if not everything, context is nearly everything. This means that the particular history, structures and personalities in a given state may be more important in determining effective public policy than any general theories spun off from outside. This, however, does not stop us from offering some generalizations based both on our own interpretation of this issue and the many excellent replies received to our survey.

Here in Part Three, we offer a brief report of the factual answers from 23 of the SHEEOs, preceded by an overview comment taken from the reply of Aims McGuinness, probably the single most knowledgeable person on state structures. The factual question asked whether or not there was a pattern of differentiation of function in the state.

In Part Four, we offer a rather lengthy synthesis of non-confidential replies from both SHEEO and non-SHEEO respondents to our request for their opinions on what were the gains and losses of states maintaining a firm differentiation of function. In order to let the readers judge the selectivity we necessarily employed, we include in Appendices B and C the verbatim replies of ALL respondents who did not designate their responses confidential. (Note to reader: in order to shorten the paper, appendices B and C are being retained at email: rb21@umail.umd.edu)

In order to set the general scene now, we quote with permission from Aims McGuinness' learned reply in which he lays out observations on the issues in many states:

From MA to Doctorate. In reviewing all the states one-by-one, I am surprised by the

number of states in which there is little or no debate about state universities expanding their missions to include doctoral programs. These states fall into three categories:

States with well-established, long-standing differentiation between one or two research and doctoral-granting universities, on the one hand, and masters-level universities, on the other. Examples include Connecticut, Maine, Massachusetts, Minnesota, New Hampshire, North Dakota, South Dakota, Vermont, and Washington.

States with well-developed and long-standing mission-differentiation agreements. Examples include Colorado, Georgia, Missouri, New York, North Carolina, Oregon, Utah, and Wisconsin.

States that seem to have long ago let the cat out of the bag and authorized most, if not all, public universities to offer doctoral programs. Florida, Indiana, Mississippi, Ohio, South Carolina, Tennessee and Texas are good examples. Surprisingly, Michigan seems to have reached an accommodation regarding which state universities will offer the doctorate and which will not.

There are several other states where the issue of doctoral granting status for some institutions is still on the agenda. California is clearly the most prominent of these. Two of the regional universities in Kentucky, Eastern and Western, are making noises about doctoral-granting status. Without knowing the details of recent debates my guess is that this change could be an issue at some future time in Illinois, New Jersey (e.g., William Paterson), Kansas, Maryland, Pennsylvania, and Missouri (despite well established mission differentiation).

In cases where institutions are seeking doctoral-granting authority the issues are almost always resolved through highly visible political battles. The role of the state board is much as it always has been attempting to provide an objective basis for decision-making. As in the California case, a strong argument can be made for collaborative programs with the major research university in lieu of new free-standing programs. This is especially the case in light of the global/local trends.

In most cases, it is possible to ensure access to doctoral programs for a region's professional population without developing a new free-standing program.

The factual replies from SHEEOs in 23 states reflect the variety described above by Aims McGuinness. We attach below a chart showing the highlights from each of the 23 replies, and then include in Appendix B the verbatim responses from each state that replied. Clearly, there is no general pattern of differentiation of function between the comprehensive institutions and the research universities, with practices varying widely from state to state.

State	Level of System Differentiation
Arizona	– Currently undergoing statewide review of these issues.
California	– Clearly differentiated system of higher education. – Ed.D. agreement is currently underway. (See Appendix D.)
Connecticut	– Statutory differentiation. – Several recent challenges to the statute. – CSU System has petitioned for changes.
Delaware	– Informal agreement among public colleges for relatively distinct functions. – No specific procedures for changing role or mission.
Florida	– No formal enforcement mechanism.
Illinois	– Strong differentiation between community colleges and public universities. – Weak differentiation between two public university systems; each make their case to Board of Higher Education. – Several institutions are now requesting Ed.D. programs. – Changes in mission require approval of the Board; discussions will ultimately include the Governor and Legislature.
Iowa	– Strong mission definition and program approval for public universities. – Public two-years each have their own board and therefore, only loose coordination by state board. – Mission creep on the horizon!
Kansas	– Primary divisions (between universities, community colleges, technical schools) are statutory. – Single governing board maintains differentiation between research and comprehensive institutions. – Distinction among universities maintained some through policy, mostly through practice and budgets.
Kentucky	– Statute defines individual institutional types and degree offerings.
Maryland	– Statute calls for specific mission statements to be compatible with State Plan.
Mississippi	– Differentiated sectors based on service areas, levels of programs, and levels of organized research activities. – Only one regional institution offers a doctorate. – Doctoral programs in purview of comprehensives. – Changes in role and scope are constitutional responsibility of Board of Trustees.

Montana	<ul style="list-style-type: none"> – Standard in differentiation. – Lack of formal role and scope statements. – Operate by mission statements. – Not plagued by institutional aspirations of two-year schools to offer bachelor’s degrees.
Nebraska	<ul style="list-style-type: none"> – Sector roles and missions in statute. – Statute changes if changes in roles and missions made via the Comprehensive Plan.
New Hampshire	<ul style="list-style-type: none"> – Two separate public systems: Community Technical College System (two-year institutions) and the University System (four-year plus institutions). Last year, an attempt was made to publish articulation of coursework/credits between the two systems. – Public and private partnerships are central to the infrastructure
New Jersey	<ul style="list-style-type: none"> – Informal differentiation of function in public sector. – Formal procedures for an institution seeking university status. – In practice, “boundaries are fuzzy.”
New York	<ul style="list-style-type: none"> – Differentiation in geography, programs, and level of study. – There has been some movement below the doctoral level to increase from two-year to four-year institutions.
Oklahoma	<ul style="list-style-type: none"> – Boundaries are clear in general terms as indicated by function. – Advent of technology has made things fuzzy, with new brokering function.
Rhode Island	<ul style="list-style-type: none"> – Program guidelines prohibit the public four-year from offering doctoral degrees. – Doctorate in Education is only exception.
South Carolina	<ul style="list-style-type: none"> – Specific statutory language for sector differentiation. – No foreseeable changes. – Recently approved change of two-year to four-year.
Tennessee	<ul style="list-style-type: none"> – Differentiation in form of institutional mission statements and strategic plans. – There is a disconnect in practice, as the SHEEO has no formal authority to consider these documents. – Recently converted technical institutes to community colleges.
Texas	<ul style="list-style-type: none"> – Clear statutory distinctions for community colleges and state technical colleges; they cannot offer above associate degree level. – Public universities are reviewed through Texas Higher Education Coordinating Board (THECB), and sometimes legislature. – THECB recently moved toward wanting to let market forces set degree

	offerings.
Utah	<ul style="list-style-type: none"> – Regents’ policies for public colleges and universities are fairly set. – Recently, several name changes were approved, which didn’t exactly change the missions.
Washington	<ul style="list-style-type: none"> – Changes in technical colleges’ mission are occurring de facto as they offer more general education courses. – Pressure exists among faculty to conduct research at comprehensive institutions.
Wisconsin	<ul style="list-style-type: none"> – The Board of Regents sets formal mission statements for the state’s 2 doctoral, 11 comprehensive, and 13 two-year institutions. – The schools of the separate technical college system have aspired to become four-year liberal arts and/or all-purpose institutions, resulting in blurred boundaries for this sector.
Wyoming	<ul style="list-style-type: none"> – Differentiation is pretty clear. – There does not appear to be much effort to expand missions.

PART FOUR: SHEEO AND NON-SHEEO OPINIONS ON FIRMNESS AND FLEXIBILITY IN MAINTAINING DIVERSITY OF INSTITUTIONS IN THE PUBLIC SECTOR

In Part Four, we offer a rather lengthy synthesis of non-confidential replies from both SHEEO and non-SHEEO respondents to our request for their opinions on what were the gains and losses of states maintaining a firm differentiation of function. In contrast to the rather brief replies received to the factual question, the opinion answers impressed us with their thoughtfulness and their thoroughness, particularly from the 24 non-SHEEO respondents. We suffer here from a literal “embarrassment of riches.” To handle this we have borrowed freely from the non-confidential responses and, to allow readers, if they so desire, both to get the full flavor of each respondent’s reply and to check on the accuracy of our excerpts, we have, as mentioned earlier, put the full replies in the appendices: B for the factual replies and C for the opinion replies.

There were some powerful voices arguing against a regulatory state role regarding role and mission, urging instead a heavier reliance on the use of state incentives to obtain hopefully benign market results. Chief among these persons was Peter Ewell of NCHEMS who certainly has had widespread experience in working with multiple state systems and some foreign governments. Peter observes:

I would certainly have to be counted among those who believe that the notion of program limits and service areas is outdated. Similarly, I think that “classic” state board attempts to maintain mission boundaries are doomed to failure in the current climate of entrepreneurship and increasingly less differentiation between public and private sector institutions. Mission creep is going to happen regardless, and I’m seeing fewer and fewer coordinating (and even governing) boards really try to control it. Indeed, such mechanisms as classic state-level program review, while still

on the books in many states, are simply not being followed--due to both budget constraints and a changing philosophy of management based on outcomes and specific performance. Does this mean that the differentiation of function issue is moot? No, I don't think so, for several reasons. But I think that the mechanisms to get this done are quite different now than they used to be.

First, we are increasingly finding that the public flagship research universities need protection. Our recent work in Ohio and Kentucky revealed this vividly--state funds for research and graduate work were being spread so thinly that nobody was able to mount a truly competitive effort in this arena. Is mission differentiation in the formal sense the answer here? Probably not. But money is. Our recommendations in both cases came close to the U.K. solution of physically separating funding for research from funding for instruction. Non-designated institutions are free to pursue a research agenda if they want to, but the state may or may not support them for it.

He is backed up by his colleague at NCHEMS, Aims McGuinness, already quoted above for his overview of the factual dimension. Aims notes:

The bottom line is that I believe that differentiation is an exceptionally important characteristic of a strong higher education system. There is no doubt that the research university model and values will predominate unless there are deliberate counter-pressures.

Nevertheless, given the changing policy context and the political and economic realities summarized above, it is highly unlikely that the regulatory policies designed for the 1970s will be effective in countering mission drift. The actions likely to have the most effect will include:

Shaping and gaining broad consensus around a public agenda—an agenda that makes clear why a highly differentiated system is in the public interest.

Designing state financing policies to:

- Reinforce distinctive missions
- Provide incentives to institutions to respond to the public agenda
- Provide incentives for collaboration at the regional level among sectors and K-12 in meeting the needs of specific catchment areas.

Designing financing and other policies for institutions to function both as providers as well as “receive sites” for programs delivered by other institutions.

Maintaining a degree of structural separation in the governance of institutions/sectors with distinctly different missions, especially between community colleges and four-year and university sectors.

Requiring public reporting of institutional performance in relationship to:

Distinct mission
Contributions of the institution to the public agenda
Collaboration with other institutions/sectors/providers to ensure that students, regions and others served by the institution receive the best available programs and services and the most cost-effective manner.

Spud Vandewater at the Education Commission of States also sees a probable blurring of boundaries:

So . . . My misty crystal ball shows a blurring of boundaries as institutions at both the K-12 and postsecondary levels learn new techniques to meet the needs of learners in their local geographic market and experiment with marrying these techniques with technology to offer services without boundaries. I foresee a gradual shift toward a learner-centered, market-driven system where the state's role is primarily to ensure that market forces do not exclude certain types of learners.

Frank Newman's Futures Project at Brown has good stuff on the growing use of market forces and the pitfalls inherent in embracing this direction.

Another powerful voice favoring more flexibility comes from Burton Clark, Professor Emeritus at UCLA:

What I had in mind when I spoke of large forms of institutional differentiation were master plans or other state-led frameworks that established a plurality of types of institutions, while allowing much variety within types and some overlap and occasional border-crossing. My leading example in California is always the way that the research-minded San Diego State University has overlapped several of the University of California campuses. The State of California was not interested in stopping people on that campus from bringing some more money home from the Feds. That institution can compete for faculty against many doctoral-granting universities in other states, including flagship ones.

Among the state system SHEEO answers, two leaned heavily toward the need for flexibility. For example, Hans Brisch, SHEEO in Oklahoma pointed out:

Our systems are becoming more porous as a result of technology. The efficiencies and opportunity of technology are allowing campuses to import courses and programs not within their function. At some point the importing will change the nature of the campus and the focus of institutional resources and effort. On the other hand, the importing may allow campuses to focus their main resources on doing what they do best and what is principally within their function. There is much evidence that technology will allow astute leaders and system offices to focus and differentiate their efforts in various programmatic areas. Institutions may also be differentiated as importers or exporters overall.

And from Texas we heard from Don Brown of the strong pressures exerted for flexibility by the regional factors:

In Texas, because of the way in which higher education institutions have been created in the past and how they have developed, and because of the strong regional identification in the several parts of the state, my conclusion is that allowing periodic and incremental changes in role and mission is essential for higher education to meet the changing patterns of demand for higher education

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Taking somewhat of a middle position – recognizing the value of differentiation of function but seeing powerful forces at work to change it were two respondents, David Breneman and William Zumeta.

Hoping for efforts to maintain some differentiation of function, if mainly for financial reasons, David Breneman, an economist who is Dean of Education at the University of Virginia, recognizes that there are powerful forces at work to break it down:

I think institutional boundaries should be held firm, by regulation or funding policy or both, as higher education is now a mature industry with different functions performed by the diverse types of institutions we have. Hal Hovey's concerns are very real and persuasive, and there simply won't be the public funds to cover mission creep.

Two political problems arise, however, which help to explain the phenomenon. First, while arguably the community college and the research university are well-defined forms, the middle ground is less clear. Even the Carnegie classification label is non-distinct, i.e., comprehensive institutions. No one knows what it means to be a high level, high quality comprehensive, so the pressure continues to emulate the research universities.

Second, population growth often occurs in regions not served by a flagship university, and thus pure politics often operates to elevate the status of newer institutions in high-population areas. To stand against that force is like trying to block a powerful river.

In short, while we should try to maintain the distinctive roles and functions of the various institutional types, we cannot reify the current structure in perpetuity, and ways must exist for some evolution. Fortunately, financial shortfalls in state government may be our best defense against mission creep.

Also recognizing powerful justifications for occasional change in role and mission, but still hoping to retain the basic framework of differentiation of function, William Zumeta of the University of Washington sees things as follows:

Some flexibility and room for experimentation within state policies is clearly called for because there are real educational needs out there to be met, the world is changing fast, and we need to learn more about what is possible. Also, it is desirable to give institutions some room to be entrepreneurial.

Yet, I would not give up on mission controls entirely either. They serve important functions as your paper points out. In regard to upward drift tendencies, I would continue to be firm in general about such controls since scarce public resources are clearly implied and the need is often in question.

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There were a whole host of voices, both SHEEO and non-SHEEO, who saw more gains than losses in maintaining differentiation of function. For example, Ken Ashworth, former SHEEO in Texas, estimated the gains and losses of firm role and mission differentiation, and found many more gains than losses:

What is gained? Less dilution of resources. Better return on investment of limited resources. Concentration and maintenance of quality. More honesty with students, who don't know that local programs without resources are not as beneficial for their careers as would be traveling to where centers of excellence could give them more marketable degrees and a better education. "Brain drain" is pure sophistry, a crafted phrase to justify starting up weak programs in remote locations. A further gain? Cross fertilization of disciplines where graduate and research faculties are concentrated on fewer campuses. Less misrepresentation to the public and students as to what is truly available to them or available with real quality. Less dishonesty by universities, whose administrators and faculties and regents in many cases really don't care about the students but only about their university's "reputation" and appearance of being on the way to becoming a major center of scholarship, when in fact they are nothing but weak schools, becoming weaker as they bleed away undergraduate funding and precious construction moneys to spend them on starting up graduate programs. And no one wants to acknowledge that high quality graduate programs take years in the building. An additional gain? Keeping good regional, public, liberal arts universities doing better what they already do well rather than embarking on plans that will weaken all they now do so well.

What is lost? Some accessibility. But place-bound and time-bound students have access to online programs offered by many quality universities now that could start them on degrees. Some fairness is lost, because in fact too many of our universities are located in the wrong places, considering demographic shifts and the regions of growth. But how fair is it to have students spend close to a decade of their lives

getting doctorates that are not going to be recognized by most universities in the country as good enough to qualify them for faculty hiring?

Robert Birnbaum, Professor Emeritus of the University of Maryland, College Park, also sees more gains than losses in holding the line on differentiation:

As to your question on allowing state college to aspire to become research universities, I have no "scholarly" views on it since I haven't really studied it. My personal opinion is that such transformations are easy to accomplish in name but very difficult to accomplish in fact, and they would be undesirable even if they were possible. They would increase costs, and further detract from undergraduate education. They would serve more the professional interests of faculty and the status interests of administrators (and perhaps trustees) than those of students and the general public. They would further debase the academic currency. Unless there is some clear and compelling evidence that we need more second- and third-rate research universities than we already have, I can see no argument in favor of doing it.

Mary Burgan, General Secretary of the AAUP, describes a combination of forces striving toward the research status of state colleges:

There is some of this competition in the legislative impulse to support local schools' athletic ambition, but there is more of it from two other forces—faculty socialization to a research orientation, and the ambitions of academic presidents, vice presidents, and deans. For the former, graduate training simply ratifies the notion that success in academic careers is measured by landing a job at a research institution. For the latter, the upward trajectory involves stepping to a research oriented institution. Of course, many are called but few are chosen; but the ideal remains, and immensely formative for institutional priorities.

Chris Morphew at the University of Kansas calls our attention to the economic benefits to the state in keeping the efficient and effective state colleges undertaking their primary role of educating masses of undergraduates:

We know that there are very different costs associated with instruction and production of students at different types of colleges and universities. Public comprehensive universities, for example, can produce a graduate--of equal quality, in many ways, I would argue--for about one-half to one-third the cost of a public research university. A reading of Hovey's article, of course, would point out the importance of savings like this on states' higher education budgets! Not only are there cost savings involved, there are pedagogically sound reasons to strictly differentiate mission and program offerings as well. There is ample research to show that environment does matter for students and that some students will thrive in a research university setting while others will not. Some students require different kinds of support services, classes, faculty members, etc. These kinds of diversity will not be fostered in a public higher education system unless the state board steps

in to ensure that mission differentiation is real and meets the needs of the state's learners.

Among the state SHEEO respondents who favored a continuation of differentiation of function, Valerie Lewis of Connecticut was quite outspoken:

In Connecticut, public institutions are always trying to measure up - in perception at least - to our venerated independents. They talk longingly about emancipation from the state, even as the state continues to supply the majority of their funds, both capital and operating. In my opinion, we have lost a common definition of the word "public" and it is that fact that colors the current market thrust of institutions and their concomitant dissatisfaction at limitations imposed by mission and role. In the past, public institutions generally have accepted their duty to "massify" higher education, to diversify higher education, to support the state's workforce and economic needs, to surrender some institutional dreams to the reality of finite public funds and therefore to limit their role and repertoire of programs. This implicit public contract was fueled by trust in state support and by recognition of the state's need, within its funding ability, to provide citizens both access and choice of a quality education. When, instead, public institutions choose to "price to the market" and "program to the market" without consideration of differentiated systemic responsibility, we should not be surprised at the outcomes. In our state that means a proposal to differentiate pricing for such things as nursing programs because they cost more to mount, and the fact that every public college thinks it must have communications and business programs since that's where the largest enrollment prospects lie.

If public resources were infinite, or conversely were not part of the equation at all, then I would see no reason for differentiation of mission and role except as the institution itself determined. But within the context of the public good of public institutions, I do not see how we can or should abandon the notion of differentiated service--not if we stand strongly behind access and the seeking of quality educational outcomes.

From New Jersey 's James Sulton, Jr. came this response:

I believe the costs outweigh the benefits in relaxing role and mission differentiation in a statewide system of higher education. An unhealthy tension obtains because of the natural pressure an institution experiences to raise its caliber by virtue of the graduate and professional programs it offers as opposed to the ability of the state to accommodate institutions that want to clone themselves or become clones of one another. Crassly put, how many world-class research institutions can the state afford and would it want any that are not world class? Holding the boundaries will provide greater choice and access for undergraduate students statewide. Relaxing them will lead to more advanced degree programs and opportunities, which is not a bad thing,

per se, but expensive

Tennessee reported that unreal institutional ambitions were operating in that state too:

We have seen a few presidents appear oblivious to the dire fiscal condition of the state, advocating mission enhancement through new graduate degree programs for their institutions. The fact that there is absolutely no statewide need for new, duplicative PhD programs is overshadowed by 'institutional need' for greater prestige. If this mindset could be corrected, the positives of permitting institutional change of role and mission would far outweigh the negatives.

Katharine Lyall, the Wisconsin SHEEO, puts the mission change issue in the broader context of the movement toward privatization:

I think this really depends on the starting point in each state. Generally, the ability of the states to support higher education looks grim for the next few years. If, like Wisconsin, the state is already well served (high access), then holding tightly to mission boundaries seems important to do. If the state were "underaccessed", then there may be more scope for blurring/modifying missions. One looming danger for public higher education is that we move to privatize our best institutions and then re-create mediocre replicas by mission changes in the remaining public institutions. This would accelerate the erosion of public support and doom public higher education, in image and in fact.

After reviewing both the factual and opinion answers, it is clear that there is no unanimity on the subject! But the clear preponderance of opinion was that more would be gained than lost by attempting to maintain some form of differentiation of function in the public sector. This leads us, then, to our second and third proposed state policies: periodic state re-evaluation of role and mission, and the possibility of joint doctoral degrees in the interims between the re-evaluations.

PART FIVE: OUR RECOMMENDATIONS TO RECONCILE FIRMNESS AND FLEXIBILITY: (A) PERIODIC STATE RE-EVALUATION OF ROLE AND MISSION

Many of our state respondents reported that they were already undertaking periodic re-evaluation of role and mission, if only through their statewide planning process. Pat Callan, Director of the National Center for Public Policy and Higher Education, stresses the importance of this process:

No public institution of higher education should be authorized to unilaterally establish or change its mission.

Recognizing that there may at times be good reasons in the public interest for

altering institutional missions, states should have some process in place for reviewing missions at regular intervals in light of changing state educational and economic needs.

George Keller, Consultant from Baltimore, Maryland, adds that two important conditions should accompany the re-evaluation process:

The mission of each state institution might be reviewed every five or so years. Populations shift and change in makeup, and state economies stretch or shrink in new ways. So missions may change over time. Also, institutions may grow and merit a fresh mission. Think of UMBC or George Mason University.

If the “state” is to decide on each state institution’s mission, the state must have some highly competent officers assigning those missions. Political appointees are likely to make political, not wisely academic, decisions.

Keller’s second point, about the competency of the officers “assigning” the mission and the state “deciding” on that mission, invites elaboration to the effect that usually the role and mission process is a highly deliberative one. It’s a process in which, often, the institution or the system originally proposes, and the state system then responds with its best professional judgment about whether the proposed mission is or is not compatible with the state-sanctioned pattern of institutional diversity.

Terry MacTaggart, former Chancellor of the University of Maine System, supports “breaking down differentiation” but only if the state board, with “intellectual authority and regulatory power” finds reasons more “compelling” than merely offering a given program at a convenient location. This raises the whole issue of making most undergraduate programs widely available around a given state, but at the master’s level, and particularly at the high-cost doctoral level, it would serve the public interest better to ask the student to move to the program, rather than vice-versa. David Dill’s comments, coming later, touch on this issue by stressing his view that the “private benefits” to the individual, as against the “social benefits” to society, increase as the student progresses into graduate work. Thus, according to Dill, the state would be justified in either asking the student to move to the program, or expecting the student to pay a higher tuition at a relevant proprietary institution.

It seems clear, then, that one way to reconcile firmness with flexibility is for the state to have a process in place by which institutions may periodically (not more often than every five years, nor less frequent than every ten?) seek redefinition of their role and missions. However, during the interim periods between reconsideration, we suggest below another process to increase flexibility while holding to fairly firm sector boundaries.

PART SIX: OUR RECOMMENDATIONS TO RECONCILE FIRMNESS AND FLEXIBILITY: (B) JOINT DEGREES, WITH SPECIAL APPLICATION TO CALIFORNIA

Since the Master Plan of 1960, there has obviously been strong differentiation of function among California’s three public sectors, written into the State Education Code. The University System (UC) was given a monopoly of doctoral level work and basic research, while the State College (now the

State University) System (CSU) offered applied research appropriate to its mission and the opportunity to establish joint doctorates with either University campuses or private institutions in California.

But Charles Reed became Chancellor of the Cal State System in 1998 and after a few years seemed to grow restive at the slow pace of development of joint doctorates. The **Chronicle of Higher Education** (August 17, 2001, Page 19) headlined its article “California’s Two University Systems Go Toe-to-Toe Over a Doctorate” and added a subtitle “Cal State’s push to award the Ed. D. concerns University of California and some private colleges.” Reed insisted that his proposal pertained only to the Ed.D. degree, one which he argued the University did not really care about. The University, however, protested this departure from the nearly forty-year old Master Plan arrangements and promised to expand the joint doctorate process. The private institutions, which award two-thirds of the education doctorates in California, also opposed the Cal State bid. But Chancellor Reed pointed to the considerably higher costs of obtaining the degree from the private sector and predicted that the demand side would grow significantly if more Ed.D. programs were scattered around the state at Cal State campuses. Critics of his proposal expressed concern at the substantially increased tax dollars that would be needed to support these new programs, and wondered where those funds would come from.

A 2002 Joint Legislative Committee, working to revise the 1960 Master Plan, had to decide, among many probably more weighty items on their agenda, whether to support independent doctorates for the state colleges or to stay with the Joint Doctorate alternative. Thus, the question: should the California public sector boundaries be “firm or flexible?” In a masterpiece of understatement in a document heavily focused on improving student learning in both K-12 and higher education settings, the final version of the Revised Plan notes in the last paragraph of its Executive Summary that maintaining, “differentiation of function is more efficient than redundancy”. Recommendation 9.3 urges: “The State should increase doctoral and master’s degree production in areas of high need, drawing upon the combined resources of the UC and CSU, as well as the independent sector of postsecondary education.” While understandable as an overall goal, there is no implementation language on process or costs, both of which will be crucial to making that recommendation come alive.

Rich Novak of the American Association of State Colleges and Universities argues that sometimes role and mission need to be renegotiated and speculates, “It is possible that the California master plan is too restrictive on doctoral degrees. Opening the door to a handful of advanced degrees does not have to open the flood gates to others.”

In contrast, it is instructive that two senior figures of the California State University System both support a continuation of the historic state differentiation of function, albeit with much stronger emphasis on developing the potential for joint degrees. For example, Don Gerth, retiring President of Cal State Sacramento, provides some candid observations:

I continue to believe that the fundamental concept of differentiation of function is sound. More than being sound it is, in my judgment, the only practical and effective way in a large society to build and deliver the kind of education system that will

serve society's purposes and do so with quality. Among those in the California State University I may be a holdout for this point of view, because of a fair number of my colleagues think that we should simply be turned loose across the board on doctoral programs. I think that would be a very significant mistake, because the state does not need 23 more University of California/research campuses.

The University of California has been far too defensive in its role in advanced graduate study and research. There are very legitimate areas for the California State University to move into at the doctoral level, and these are solely in the applied fields. For the most part, these are in areas where the University of California has demonstrated no interest or only a very passing interest over the years, and there is no reason to believe that the faculty in a truly great research-oriented university (and the University of California truly is a great institute of the research kind) should have any particular interest in advanced graduate education in many, if not all, of the applied fields as decisions are made about the development of programs and about the meaning of differentiation of function.

Also indicating great respect for the world-class research reputation of the University of California is David Spence, Executive Vice-Chancellor of the Cal State University System, who nevertheless argues for enhanced cooperation between the two systems:

Maintaining differentiation is more important now than ever. UC is a great public university because of differentiation. I believe CSU is a wonderful teaching university with a good combination of access, quality and teaching-related scholarship because of differentiation. Allowing more campuses to become research-oriented universities will only dilute scarce resources and detract from campuses meeting effectively the most comprehensive (and important) state needs for higher education—namely, access to baccalaureate, Master's, and professional education. What would be helpful is developing more cooperative arrangements between research and teaching universities through which faculty from the latter could participate in advanced forms of research if their interests and qualifications so indicated.

I also believe that without a strong planned and structural commitment to differentiation, the natural and inevitable push of faculty is to advanced graduate programs. As a campus grows and attains a sufficiently large core of these faculty, the result is a powerful force to grow doctoral programs.

Here it becomes relevant to cite a very helpful recent document entitled: Joint Ed.D. Resolution. With a cover letter dated May 6, 2002 from Charles Reed, Chancellor, The California State University (CSU), and from Richard Atkinson, President, University of California (UC), to three key legislators in California state government, the Joint Agreement reported that the CSU and UC have agreed to form a Joint Ed.D. Board that will solicit, review, fund and expedite programs that build on the mutual strengths of the CSU and UC campuses to be co-chaired by the chief academic officers of the two systems and include faculty from CSU and UC. (For the full text, see Appendix D.) Two million dollars from each system was pledged to the first two years of the process, and a deadline of Fall 2003 was set as the latest time by which some programs would be launched, with students enrolled.

Clearly, the two systems seem serious about making the joint doctorate process work. In his memoirs, **Gold and Blue**, volume one, "Academic Triumphs" (p.188), Clark Kerr comments briefly on the joint doctorate:

The joint doctorate program, while falling short of our original expectations, has had substantial results. Programs were authorized involving five UC campuses San Diego (7), Davis (3), Los Angeles (1) and Santa Barbara (1); and seven CSU campuses. . Altogether, from 1990 to 1997, 193 joint degrees were awarded. In 1997, 307 students were currently participating--170 of them in programs with UC-San Diego participation. (Source: California Postsecondary Education Commission, **From Compromise to Promise, A Status Report on the Joint Doctorate in California**, 1998).

We are told that there may have been some additional agreements made between some state university campuses and private universities in California. Thus, while there is no tidal wave of implementation, they have set some healthy precedents.

Our concerns with the Joint Agreement are two. First, if in Part Two of this paper we attempted in effect to protect the public research institutions by urging the state not to deregulate role and mission approval for the former state colleges, here we must criticize the University of California faculty for their understandable, but highly regrettable, tendency to resist entering into the spirit of equal partnership with CSU faculty in joint doctorates. There is undoubtedly severe pressure on university faculty to produce world-class research as well as to teach some very bright undergraduate and graduate students. They will often, then, not welcome and even, overtly or covertly, oppose well-meaning efforts from University-Central to get them to engage their counterpart faculty in the CSU system in meaningful, and time-consuming, negotiations to create a serious, high-quality joint degree program. But if that process is the only serious alternative to letting the CSU run free into many high-cost doctoral program areas, then responsible University faculty leaders must work to see that their colleagues enter into the real spirit of the joint doctorate.

Several respondents to our survey expressed pessimism in this regard. For example, Jaci King, American Council on Education, liked the Joint Agreement, but "I really wonder if UC professors will invest the time necessary to do quality collaborative work with CSU faculty." And Marian Gade, co-author with Clark Kerr of many publications, noted as follows: "the joint doctorate has huge potential for alleviating the need for every institution to offer the Ph.D. Yes, it will take lighting a fire under UC faculty -- but the alternatives are unthinkable as a matter of public policy and finance, in my view--not to mention questions of quality."

Our second concern with the Joint Agreement is that it may be too narrow, both in its initial focus and in its proposed process of consultation. It is, perhaps, wise to start slowly with Ed.D. programs first, but I would think that other so-called applied fields might well follow later. Clark Kerr was quoted in a document prepared by Barry Munitz, when he was Chancellor of the CSU system:

I believe that the greatest single trend in the reorientation of program efforts within American higher education, as already in Western Europe, will (and should) be toward more emphasis on training polytechnic type skills and toward more polytechnic type applied

research and technology transfer. This is where the competitive battles will focus increased attention (**Troubled Times for American Higher Education**, 1994).

If Kerr's analysis is correct, then societal needs in many more applied areas may call for more elaborate University/CSU collaboration. But, in making decisions about where these areas are, and whether society's needs are really there, we would urge that the Joint Agreement proposed process of consultation be broadened beyond its call to consult K-12, community colleges and the private sector. Who else is left out? The answer is the state agencies, reputedly representing the broad public interest. We can assume that most of the time the Joint Agreement consultation processes will follow the public interest. But even persons of good will can make mistakes. So, in the interests not only of "justice being done" but "being seen to be done", and, on a negative note, to avoid even the possibility of "bargains among thieves", we would urge that the statewide coordinating board be included in the decision process.

David Dill of the University of North Carolina questioned whether the Joint Doctorate was really the best answer to California's needs for applied doctorates:

It is interesting to note the concerns outlined in the EDD Resolution. By definition those seeking the EDD will likely be adult, full-time employees. Also, the notes about the need for flexibility in scheduling, etc. appear to me to make an obvious case for a high quality, distance learning, applied graduate degree. If the state is really interested in efficiency and quality, why does it not put out a contract for the development of such a degree and permit any university, public, private, for-profit, etc. to submit bids for the development and delivery of such a degree. I'm sure U. of Phoenix would be interested. I suspect this approach would lead to a degree that is more relevant, of higher quality (cf. advantages of economies of scale), with fewer opportunity costs for students and less direct cost to the state than the way they are doing it now.

Most economists would argue that the social benefits from higher education that justify public subsidy are greatest at the level of the first degree, and that at the masters and doctoral level the benefits are more private than public. There are likely exceptions to this, but those exceptions are what should be publicly subsidized, not all graduate degrees (e.g., I can see no rationale for publicly subsidizing MBAs).

David's suggestions always provide food for thought. However, one assumes that the costs of proprietary doctoral degrees would be so much higher than those offered by public sector institutions that even the private benefit theory would not justify the policy he suggests.

PART SEVEN: CONCLUSION

Patti Gumpert of Stanford University helps us to place the notion of differentiation of function in a broader policy perspective:

My personal opinion on formal differentiation is that it was a brilliant solution to demands that public higher education satisfy the twin cultural expectations for higher education to be both egalitarian and meritocratic. In my mind these demands are still pervasive, although the terms have changed--perhaps to "equity" and "excellence." Today, I think this system design still has great legitimacy. And I think the sacrifices that campuses make to the state in terms of constraints on mission are unfortunate but necessary in this framework.

However, I do think that some of the strains inherent in differentiation are apparent. Here are some signs from my perspective, yet each would be worthy of empirical study. (I'm exploring some of these in my book on academic restructuring in public higher education):

- Some initiatives of the past decade have been put forward in the name of differentiation, but have important and unexamined consequences for stratification.
- In an era where entrepreneurialism and revenue-generating imperatives are taken as priorities, campus leaders' disdain for system constraints is on the rise. Prospects for limited state funding and ongoing resource constraints make it worse.
- While some governance structures have remained in place, the substance has at times become hollow.
- Recent challenges to differentiation: With more students attending to get specific courses and skills (rather than degrees) and attending multiple institutions simultaneously, the public campuses are less able to reinforce formal differentiation. The same can be said of instructional technology and distance education, which are nearly ubiquitous.

That said, I'm a believer in formal structure and its power to define organizational and individual behavior. And I think the basic principles of differentiation within public system design retain much legitimacy politically and socially. With that in mind, I don't agree with the assertion that boundaries are now moot. Of course, I'm open to being convinced by some compelling research. For the time being, I don't see a viable alternative to this basic framework. Perhaps my colleagues who are strong advocates of market forces would propose a framework in which individual campuses have fewer constraints. But even if they do, I would argue that public colleges and universities are still public organizations, and this organizational form is by definition subjected to different constraints and opportunities than, for example, for-profits.

Barry Munitz, the former Chancellor of the California State University System and the President of the J. Paul Getty Trust, offers some valuable perspectives:

I am increasingly concerned about the intersecting issues between holding mission boundaries firm, encouraging healthy institutional transformation, and the current

disincentives established for those institutions (like California State University) to maintain their focused orientation and increased strength when we are still unable to diversify the reward system or meaningfully establish multiple tracks toward prestige and status at American colleges and universities.

On the one hand, the basic prestige and reward system still honors visible researchers, and undervalues those committed to lower level classroom instruction. On the other hand, the momentum--both for funding and for broad political support -- is toward those institutions committed to K-12 reform, sensitive to local economic development, and putting senior faculty directly into undergraduate classrooms.

Funding and leverage move toward the Cal States, while pressures grow on the UC flagships, and the middle ground of “lesser quality graduate study” and aspiring hybrid institutions that do little good at either end of the tunnel, are creating a very tense and awkward situation.

“Carefully thought out joint doctorates,” voluntary regional collaboration, and other strategies for sharing resources while serving the appropriate audiences, all seem absolutely crucial.

Peter Ewell, quoted earlier in this paper, argued forcefully for using state fiscal incentives rather than traditional state regulations to handle the issue of quality in doctoral work. We later sent Peter the response from Michael Shattock, a leading scholar in Britain where in 1992 the polytechnic sector was merged with the university sector and both made to compete for limited state research and teaching funds, distributed separately. Michael noted:

The UK first tried state control--UGC/binary line--but found it did not work (or thought it did not). It then adopted a market approach with all institutions having a so-called level playing field. (It was obviously not a level playing field.) People said if Warwick University can break through into the top ranks so can a DeMontford University. This approach has now failed, but we do not have a sophisticated debate about what should replace it. We cannot see beyond tweaking the funding formula yet again--this is just shifting the deckchairs on the deck of the Titanic. I always argue that the (California) Master Plan solution (on differentiation of function), appropriately adopted, would be a better system than what we have got.

Between 1986 and 1992 the UK had a Research Assessment exercise which separated research sheep from research goats in the universities, and a binary line that separated the polytechnics from the research goats. Between 1992 and 2002 they have spent a great deal of money on trying to catch up the research goats of the pre-1992 universities and have failed. Meantime the research sheep have become a smaller and more elite flock controlling about 75% of national research monies. The result is that the post-1992 universities look like failures and feel like failures. As a student you try to go to a pre-1992 university, and you finish up at a post-1992. In

other words, we now have good universities, not-so-good universities and weak universities in a very bad system.

When Peter Ewell received this Shattock rejection of financial tools to produce a healthy differentiated system, he replied as follows:

Regarding Michael's reply, I don't have it with me I'm afraid, but my impression is that his view cuts both ways. The very fact that the former polys have not made out well in the research funding game is an example of market steering that works, albeit inefficiently. The former polys that stuck to their missions are doing fine--I have worked a lot with UCE for instance, a very entrepreneurial place that has resisted the temptation to try to be a third-class research university and is working well with industry contracts and high-end technical programs to be a very successful place "self-regulated" by a chosen mission, if you will. Steering by money works, I think, but only if you have an intelligent CEO at the campus level who can figure out the incentives. And I'll grant you that there are fewer of these than I'd like . . .this is probably the fatal flaw in my argument.

Peter's observation that "steering by money works . . . but only if you have as intelligent CEO . . . who can figure out the incentives" flies in the face of much opinion quoted earlier that the forces pushing campuses in an unregulated market to aspire to doctoral-granting status are far too many (not just presidents, but also faculty, many trustees, some legislators, etc.) and far too powerful to be resisted. Thus, even an "enlightened CEO" may not be able to hold the line.

Jane Wellman, of the Institute of Higher Education Policy, agrees that "the doctoral degree is the default measure of institutional prestige" but goes on to point out that the deregulation of doctoral degrees is only a minor consequence of the increasing emphasis on the market in higher education.

I personally don't think the case has been made that states need to be investing more in doctoral degree production. On the other hand, if a comprehensive institution shows that it can meet state goals for access, degree production and quality and still have money left over to pay for a good alternative PhD program, I say let them do it. The problem is that most states aren't terribly clear about the goals and performance measures they have for comprehensive institutions and community colleges (other than access) and the doctoral degree is the default measure of institutional prestige in the absence of clear alternative measures.

The deregulation of state governance that has accompanied privatization of funding has also weakened state capacity for planning and policy review. One reason for this, it seems to me, is that we have failed to articulate a useful way to define the role of government, and the appropriate focus for public policy, other than as an agent of the pursuit of markets. As one example, we have encouraged the diversification of revenues, recognizing the shrinking capacity of state general funds to pay for essential needs, but have failed to recognize that these revenue sources (so far, anyway) support functions like research, organized activities and auxiliary

enterprises that by their nature are attractive to investors. So the core instructional functions of most institutions (analysis of expenditure data over the last two decades shows this clearly) have shrunk as a percentage of spending while other areas have grown.

I think that the lapse of control over maintaining the exclusivity of the doctoral degree is just one example of the negative consequences of deregulation, and for me not the most compelling. The erosion of funding for teaching; the fragmentation of the curriculum; excessive attrition and time to degree; and the halacious cost of graduate education (funded mostly through cross-subsidies) strike me as equally if not more compelling examples of the same phenomenon.

One can agree with Jane's breadth of vision and hope that others will take up the challenge of exploring her concerns. But here, it remains to conclude this essay on whether in the current pressures to deregulate higher education, there is still policy justification for maintaining a state role to protect the diversity of higher education. We believe there is, as long as there are careful periodic state processes to reevaluate institutional role and mission and as long as states act to encourage joint degrees between cooperating institutions.

Having endorsed a somewhat modified Joint Doctorate process as the best way to reconcile both firmness and flexibility in public higher education, we want to end by recognizing a huge omission from this paper. As mentioned briefly earlier, more than a few of the SHEEO and non-SHEEO replies included concern about what's happening with "mission creep" in our two year sectors, both community colleges and, in some states, the technical colleges. We will leave it to others, more qualified, to enter that lion's cage, but would end by speculating that even there, the notion and practice of serious inter-institutional collaboration may have relevance. One hears of community college sites where one or more four-year institutions offer programs so that place-bound and/or part-time students might profit from new delivery systems and earn their bachelor's degrees there. In this manner, the community colleges in question would not be tempted to try to transmogrify into four-year institutions, leaving their crucial local missions behind. Let good community colleges remain good community colleges, and, accordingly, let good state colleges (even if now called state universities) remain good state colleges. Public research universities, as smug, as arrogant and as condescending as they sometimes are, still deserve protection and support for their vital missions of serving not only the region and the state, but also the nation and even the world.

APPENDIX A: COVER LETTER AND SURVEY MAILED ON JUNE 20, 2002

This letter is addressed to SHEEO officers and selected friends who, over the years, have had knowledge and sage judgments about state systems of higher education in the U.S. I am writing it because I have been asked to deliver a paper on “Governance Strategies: How Fixed Should the Boundaries Be?” at a forthcoming conference on the Revised California Master Plan, sponsored by the Center for California Studies at the California State University at Sacramento, next September 26-27.

The revision of the famous 1960 plan and its original differentiation of function across the three public sectors, carefully spelled out (and later put into the state Education Code) has reawakened a long-standing interest of mine in what is gained and what is lost when institutions are permitted to cross so-called sectoral boundaries. I have just reread Chapter 7 of my 1971 book, *Statewide Coordination of Higher Education*, and found that many of the issues discussed there are still very pertinent, exacerbated, perhaps, by the later emergence of both information technology and globalization. I have respected friends who argue that boundaries are now moot, not only for institutions but perhaps for states also. And my retiring U. of Maryland System Chancellor, Don Langenberg, has suggested in print that even degrees may become obsolete. So, I ask myself, why am I still worrying about maintaining some form of differentiation of function in the public sector? Perhaps this research, with your help, will cause me to change my mind, but as of now, here are my reasons for being concerned.

In the 1960's when I did my research for the 1971 book, I found that in the absence of strong state systems in most states, the powerful research universities, many with land grant functions and law school graduates heavily present in the state government, dominated the politics of higher education in the state, and were not always completely sympathetic to the badly needed emergence (and costs!) of the state colleges and community colleges. Happily for this country, in state after state, SHEEO boards helped develop state plans that usually recognized the need for expanded state and community college systems.

Now, ironically, my concerns are the opposite. With the vast expansion of higher education (which I continue to support), the costs to both states and the consumer have become enormous and demographic projections into the next decade call for even greater expansion. Meanwhile, a sophisticated study by H. Hovey for Pat Callan's National Center for Public Policy and Higher Education “State Spending for Higher Education in the Next Decade” (1999) furnished very grim prognostications about most states' ability to spend higher percentages of state income on higher education. Also in the meantime, the state accountability movements have taken deeper looks at higher education costs and tried to link these to studies of outcomes. The obviously high-cost dimensions of public university doctoral programs and research efforts (where reduced teaching loads directly impinge on state support) make the research universities an obvious target for state efficiency concerns. This at the same time that broad national and state reform efforts, such as Re-inventing Government, Total Quality Management, Privatization, etc., are

combining with the earlier-mentioned Information Technology and Globalization streams to cause some to urge TOTAL state deregulation of higher education. Thus, at a time when state pressures on research universities to cut costs are increasing, we may witness mass movements of many former state colleges to try to become doctoral-granting institutions, with lowered teaching loads, better libraries and laboratories and perhaps higher faculty salaries. Occasionally such changes may be in the public interest, but, particularly given the limits in state resources analyzed by Hovey, often they may necessarily emerge at the expense of the support for the state research universities and the vital national (and even international) role that world-class research and doctoral work is supposed to produce.

Recognizing that the appeals for decentralization and de-regulation are powerful, I undertook a case study of a Maryland college, St. Mary's, which was deregulated by the legislature in 1992 in exchange for agreeing to cap its request for state support to the 1992 level, plus future inflation. St. Mary's was able, with its new freedoms, to buy computers more quickly and more cheaply, to put up new buildings (with private money) more quickly and more cheaply, and to put its staff (with their agreement) on merit pay rather than state COLAs. Four years later, "both sides" (i.e. the institution and state government persons) were happy with the results. But my study pointed out the crucial fact that the state withdrew its controls ONLY ON THE PROCEDURAL SIDE and that state oversight on the substantive side (e.g. basic role and mission: St. Mary's could not try to become a university) remained. Perhaps, then, a reconciliation of institutional needs for more (procedural) autonomy and state needs for continuing monitoring of maintaining needed diversity in the public sector can both be accomplished?? (I enclose a copy of a paper I gave last year that elaborates on many of these points.)

This brings me to my questions to my colleagues. On an adjoining sheet, I ask whether there is some form, formal or informal, of differentiation of function in your state; if so, how fixed or fuzzy are the boundaries; and if changes in role and mission in the public sector are permitted, what are the processes and criteria for deciding. I also ask about your personal judgment about this package of issues and then inquire whether your response is confidential or can be quoted in my research. I deeply appreciate your help.

Sincerely yours,

Robert Berdahl
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Enclosure

ATTACHED SURVEY:

SHEEO and Selected Friends' Response to Berdahl Questions

June 2002

1. To SHEEO officers: Is there some form, formal or informal, of differentiation of function in the public sector in your state? If so, how fixed or fuzzy are the boundaries? And, if changes in role and mission occur, what are the processes (including raw state politics!) and criteria? (Use other side of sheet if necessary)

2. To Everyone: What is your PERSONAL opinion about the package of issues tied up with the differentiation of function issue. What is gained and what is lost through holding boundaries firm, or in permitting institutional change of role and mission? (Use other side of sheet if necessary)

3. To Everyone: Is your answer to No.2 above confidential, or may I quote it in my research, if it becomes relevant?

Please mail or email or fax to: Robert Berdahl 301/405 3577 Fax 301/405 3573

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Appendix B: Factual Answers from SHEEOs

(For purposes of brevity, Appendix B, is available from rb21@umail.umd.edu)

APPENDIX C: Non-confidential Opinions of Selected Scholars and SHEEOs

(For purposes of brevity, Appendix C, is available from rb21@umail.umd.edu)

Appendix D: Joint Doctorate Agreement from California

(available from rb21@umail.umd.edu)

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