

**Higher Education Coordination
in Washington State**

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December 2002

Higher Education Coordination in Washington State

Part I

***A Review of the Role and Functioning of the Washington
State Higher Education Coordinating Board***

Part II

***History of Higher Education Coordination in Washington
and Governance Models in Other States
(By William Chance, NORED)***

December 2002

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WASHINGTON STATE INSTITUTE FOR PUBLIC POLICY

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SUMMARY

Study Direction

In 2002, the Board of Directors for the Washington State Institute for Public Policy (Institute) directed staff to review the mission and operations of the Higher Education Coordinating Board (HECB). This report presents observations of the statutory role and functioning of the HECB based on interviews with individuals with close ties to higher education coordination, policy, and administration. The report also describes the evolution of higher education coordination in Washington State, the current role and authority of the HECB, other states' approaches to governance, and emerging approaches to coordinating higher education.

Washington State's Higher Education Coordinating Board

The Washington State Legislature created the HECB in 1985. Its mission is to "provide planning, coordination, monitoring, and policy analysis for higher education in the state of Washington in cooperation and consultation with the institutions' autonomous governing boards and with all other segments of post secondary education...."¹ The HECB has numerous statutory responsibilities, including preparing a master plan for higher education every four years, a variety of regulatory and administrative responsibilities, and management of state student financial aid programs. About 96 percent of its budget (\$274 million budgeted in 2001–2003) and 88 percent of its staffing (74.2 FTE budgeted in 2001–2003) are allocated to financial aid payments and administration. The remaining funds support HECB planning, policy, and coordinating functions.

Stakeholder Observations and Opinions

In the fall of 2002, Institute staff interviewed 70 individuals with close ties to higher education coordination, policy, and administration. The individuals interviewed were administrators of public and private four-year institutions; legislative, HECB, and other state agency staff; community and technical college administrators; elected officials; and HECB members. Respondents occupied positions of significant responsibility but did not necessarily have knowledge of specific program areas, such as financial aid administration.

Respondents were asked their views regarding the following statutory roles of the HECB: representing the broad public interest; regulatory functions such as program review and approval; administration of financial aid and other programs; and planning, policy, budgeting, and coordinating functions. Although there was no general call for a complete reorganization of the HECB, respondents believe there is a need to reexamine the agency's purpose and functions.

¹ RCW 28B.80.320.

The responses point to the following broad conclusions and recommendations:

- The overall role and focus of the HECB needs greater clarification.
- Some regulatory and review functions—such as program approval and operating budget review—are of questionable value.
- Administrative functions—particularly financial aid—work well.
- The HECB’s planning and policy roles need strengthening and focus.

Many respondents agree that the HECB performs its administrative roles quite well. In addition, most respondents value the planning and coordinating functions the HECB was designed to provide, although many see room for improvement. Respondents also identified external and internal factors that may influence the HECB’s effectiveness (see Exhibit 1).

Exhibit 1
External and Internal Influences on the HECB

| External Influences on the HECB | Internal Influences on the HECB |
|--|---|
| <ul style="list-style-type: none"> • Lack of legislative and executive branch leadership regarding higher education. • The variety of actors, interests, and relationships with a stake in higher education. • The HECB’s vague statutory role and lack of authority. • Dissatisfaction or lack of support from the legislature, institutions, and executive branch. • Lack of influence in a budget-driven policy process. | <ul style="list-style-type: none"> • Does not know if it should be a “think tank” that drives policy or a regulatory agency. • Board members and staff are not “on the same page.” • Good staff but lacking expertise in higher education. • Viewed as an extension of the legislature or too focused on the four-year institutions. • Board members are viewed as representing regional interests or institutions rather than the public. |

Governance Structure

Types of Governance. Higher education governance structures across the nation can be grouped into three broad categories:

- Governing boards that directly govern two or more separate institutions of higher education;
- Coordinating boards that coordinate the programs and activities of higher education institutions, each with their own independent governing boards; and
- Planning agencies without any coordinating or governing authority.

Twenty-three states have statewide governing boards, 25 states (including Washington) have coordinating boards, and two have agencies with exclusively planning roles. Within the first two categories, additional variation exists among state structures. Some states have multiple governing boards and others govern with a single board. In terms of coordinating boards, some have recommending authority and others have approval authority. A few states have separate governing and planning boards. Practically speaking, every state's governance model is unique, and each must contend with changing political and economic environments.

Evolution of Higher Education Coordination in Washington State. The HECB can trace its beginnings to the Council on Higher Education (CHE), created in 1969 (re-named the Council on Postsecondary Education in 1975). The CHE was authorized to examine proposals from institutions for new degree programs but could only recommend for or against their establishment. The agency had similar recommending authority with regard to higher education planning and institution budget requests. In time this situation proved unsatisfactory to the state, and in 1985 the HECB was established as a coordinating board with approval authority and a stronger regulatory mission.

Exhibit 2
Washington's Higher Education Coordinating Agencies Over Time



In Washington and elsewhere in the country, the perceived need for state coordination of higher education institutions and policy fluctuates with some predictability. Each of Washington's coordinating agencies has experienced periods characterized by vigor and activity, followed by the acquisition of additional administrative responsibilities and program oversight, followed in turn by periods of uncertainty and weakening of its policy role. The last stage is usually when the legislature considers statutory adjustments.

The Changing Policy Environment. The HECB Year 2000 Master Plan identifies the following issues as key to Washington's higher education policy: a competitive environment, workforce training, and quality of life for people who live and work in the state. A close relationship between the education levels of a state's population and the potential for economic growth is widely accepted, carrying important implications for virtually every aspect of higher education, from improved access to the location and timing of higher education. If colleges and universities are to adjust to a new, more customer-driven style of business, and operate effectively in these new and fast changing environments, they need flexibility.

Across the nation, regulation and micromanagement of higher education by state bodies is shifting its emphasis toward institutional accountability and decentralization. States are

broadening their policy focus from a traditional view of public colleges and universities to a wider view of customers and providers. These changes may require a modified approach to coordination, a diminished focus on regulation, and a need for greater institutional responsiveness.

Beyond Restructuring. Organizational changes are often contemplated when states alter their focus on higher education governance. As Terrance MacTaggart comments, restructuring alone has little value:

Reorganization is not an end in itself; rather, it must be a means to an end. A failure to recognize that will lead only to disruptive changes with little lasting gain.

The latest thinking in higher education governance is less focused on structure and directed instead on providing a more focused mission and expectations for individual institutions.

Institution compacts are an emerging approach to balancing the twin goals of decentralized governance and accountability. Such compacts are a potential means for state policymakers to set priorities and expectations as well as monitor performance. In exchange for steady appropriations capped at agreed upon amounts and freedom from specified controls on how funds are spent, an institution would agree within its compact period (e.g., four, five, or six years) to provide higher education services in accordance with public priorities. Agreed upon performance measures, unique to each institution, could be used to evaluate fulfillment of the institution's compact. The compact approach requires the state to develop and maintain, through an agency such as the HECB, a clear and coherent higher education policy framework.

Proposals in Massachusetts, Virginia, and other states would largely free public colleges of state regulation and provide them flexibility to experiment with new academic and tuition policies in exchange for meeting performance goals.

Considerable time has elapsed since Washington State's last significant revision to higher education coordination. The recent experiences of other states, as well as Washington's own history, provide an excellent opportunity to learn from past mistakes and successes. They also suggest some promising alternatives.

Whether or not the state considers the issue of governance more fully, the interview results provide insight into the features of the current system that do and do not "add value."

Part I

***A Review of the Role and Functioning of the Washington
State Higher Education Coordinating Board***

THE ROLE AND FUNCTIONING OF THE HECB

The Higher Education Coordinating Board

The Higher Education Coordinating board (HECB) was created by the Washington Legislature in 1985, succeeding the state's Council for Postsecondary Education. The membership of the coordinating board consists of ten citizens appointed by the Governor and confirmed by the Senate. Membership must represent the public, "including women and the racial minority community," and include one student. Prior to the 2002 legislative session, the governor appointed the chair. This was changed, effective June 2002, to require the board to select the chair and vice-chair from among its membership (but only after the term of the present chair expires).

The mission of the board is set forth in RCW 28B.80.320. It is to:

. . . provide planning, coordination, monitoring, and policy analysis for higher education in the state of Washington in cooperation and consultation with the institutions' autonomous governing boards and with all other segments of post secondary education, including but not limited to the [State Board for Community and Technical Colleges]. The legislature intends that the board represent the broad public interest above the interests of the individual colleges and universities.

The HECB has numerous other statutory responsibilities, such as development of the state's master plan for higher education, a variety of rule-making, regulatory, and administrative responsibilities, and management of an array of Washington State financial aid programs. Approximately 96 percent of the \$274 million HECB budget for 2001–2003 is for student financial aid. The remaining 4 percent (\$11 million) of the budget supports the policy, planning, regulatory, and administrative functions of the agency. A staff of 74.2 FTE was budgeted for the 2001–2003 biennium. Approximately 88 percent of the staff are assigned to program management. The remainder fill policy and planning positions. A more detailed description of the HECB's current operations is provided in Appendix A.

Study Direction and Report Organization

A bill in the 2002 Legislature directed the Washington State Institute for Public Policy (Institute) to review the mission and operations of the HECB and evaluate its role and practices in policy setting, evaluation, review, and approval of higher education programs and budgets and administration of financial aid programs (ESSB 6387, Section 608[11], Chapter 371, Laws of 2002 [partially vetoed]). Although this language was vetoed from the 2002 supplemental operating budget, the Institute's Board of Directors directed staff to undertake the study.

This report is divided into two parts. Part I examines stakeholders' views regarding the role and functioning of the HECB. The in-person and telephone interviews focused on the statutory roles of the HECB and on the external and internal factors that influence the agency's

effectiveness. Part II describes the evolution of higher education coordination in Washington State and the current role and authority of the HECB. It also examines governance options from other states and an emerging approach to coordinating higher education. The HECB's response to this report is provided in Appendix F.

Survey Methods

To examine views about the HECB, Institute staff conducted confidential interviews with 70 individuals with close ties to higher education coordination, policy, and administration in eastern and western Washington State; interviews were conducted in September and October of 2002. The affiliations of interview participants are shown in Exhibit 3.

Exhibit 3
Affiliation of Interview Respondents

| Groups Represented | Completed Interviews |
|--|----------------------|
| Public and Private Four-Year Institution Administrators | 20 |
| Staff Persons of the Legislature, HECB, and Other State Agencies | 13 |
| Community and Technical College Administrators | 11 |
| Elected Officials (present and former governors and legislators) | 11 |
| HECB Members (present and former board members) | 11 |
| Community Members (business and non-profit) | 4 |
| Total Responses* | 70 |

* Thirteen respondents were from Eastern Washington.

In selecting people to interview, we were influenced by the direction of the study, as well as its time frame. The study language called for an overview of roles and functioning, rather than a detailed accounting or auditing approach. In addition, the study had to be completed within five months. For these reasons, we selected individuals with significant responsibility for higher education institutions and policy, as well as knowledge of the current role of the HECB. Specialists in financial aid, program review and approval, or other program areas were not interviewed. The interview results should be interpreted with that in mind.

In the interviews, respondents were asked to describe their views of the role and functioning of the HECB with respect to its statutory directives as delineated in RCW 28B.80 (see Appendix E for the interview instrument). Each interview focused on five key areas of the HECB:

1. Representing the broad public interest;
2. Regulatory responsibilities;
3. Administrative responsibilities;
4. Planning and coordination; and
5. External and internal influences on its effectiveness.

The interviews were recorded, transcribed, and then entered into a computer dataset using software specifically designed to code results of qualitative survey research. Responses were reviewed and coded on a variety of dimensions to facilitate their analysis.

General Observations

While most respondents accept the importance of a higher education agency that performs the planning and coordination work that the HECB was designed to provide, many also believe it could do the job better. People generally agree that the HECB performs its administrative roles quite well, but not its coordination, planning, and policy roles. In general, respondents acknowledge the value of the planning and policy roles. Most respondents also believe that these roles should probably be performed by the HECB, the only organization at the state level empowered and organized to take an independent and comprehensive view of higher education issues.

Not all respondents agreed that the planning and coordination work needs to be done by an independent state-level board, but suggestions regarding alternatives were sparse. There was no strong call for reorganization or structural changes. The dominant view was for greater clarity of expectations and for the state and the HECB to take a critical look at coordination. It is safe to infer from the lists of external and internal factors, which respondents believe influence the board's effectiveness, that while some circumstances are outside of its control, others are within the influence of the board or the legislature.

The remainder of this section details the interview findings regarding the HECB's areas of responsibility and provides important context regarding the respondents' views of its performance.

1. Representing the Broad Public Interest

A major part of the HECB's mission is to provide planning, coordination, monitoring, and policy analysis for higher education in cooperation with the institutions and other segments of postsecondary education. The state specifically requires that the HECB represent the broad public interest above the interests of the individual colleges and universities (RCW 28B.80.320).

Respondents varied in their views of the role and functioning of the HECB with respect to representing the broad public interest. All 70 respondents commented; their views can be grouped as follows.

Yes, the HECB does represent the broad public interest. Among those interviewed, about a third (23) commented favorably on the HECB's efforts with respect to representing the broad public interest. Most pointed to the HECB's advocacy for access and student financial aid as evidence:

They've primarily articulated the broad public interest by being the keepers of the flame for access and financial aid. –Legislative or State Agency Staff

No, the HECB does not represent the broad public interest. The remaining 47 respondents expressed views that the HECB does not always represent the broad public interest. Many indicated that they believe the HECB is too focused on particular interests in higher education.

- The majority who expressed negative views on this issue (31), reported that the HECB pays too much attention to, or is too influenced by, other interests, primarily the public four-year institutions, the “Seattle power structure,” and the legislature.

There are many competing interests. There’s the interest of the legislature, which is related to the public interest but not the same; the interests of the institutions, which are always asking the HECB to represent them; the interests of the organization itself, as an organization. So, it’s difficult to keep on point with regard to the public interest, because there are so many demands made on them. –Four-Year Institution Administrator

- Fourteen of these respondents expressed opinions that the HECB does not represent the broad public interest, although they did not specify their reasons for this belief. One stated, “I’m not sure that the result is there.” Another responded, “That doesn’t happen.” A couple respondents consider this an unimportant role for the HECB, because it assumes that the public interest and that the interests of the institutions do not coincide.

2. Regulatory Responsibilities

The HECB has a several regulatory functions. They include (1) review, evaluate, and approve public degree programs, (2) authorize private and out-of-state programs operating in Washington State, and (3) develop guidelines for off-campus facilities, centers, and consortia. Respondents were asked to comment on each function.

A. Review, Evaluation, and Approval of Programs. According to statute (RCW 28B.80.340(1-3)), the HECB is to review, evaluate, approve, and make recommendations regarding degree programs at four-year public institutions. The HECB also approves and supervises programs serving those eligible for Veteran Affairs education benefits.² Approximately one-third of the 67 respondents who expressed views on these subjects considered these functions valuable. The remaining two-thirds did not consider them so.

Yes, program review is a valuable role for the HECB. A minority of the respondents (23) stated that HECB staff perform these duties efficiently and as required in statute. Several noted that the recently amended procedures associated with this activity have improved the results and made the process less intrusive in recent years.

The process is actually pretty good, and they’ve adjusted it. They’ve created the opportunity to bring programs [before the board] in mid-stream. . . . I think we’ve struck a bit of a balance here between healthy competition on the one

² This function is more administrative than regulatory. The HECB Veteran Affairs education program reviews are necessary to qualify attending veterans for VA benefits. This administrative function is performed under contract with the Veterans Administration, and it consists principally of ensuring that programs are offered in compliance with VA rules and regulations (Executive Order 78-2).

hand and providing alternatives for students and managing resources fairly efficiently. –Four-Year Institution Administrator

None of the respondents recalled an instance when a program proposal was not approved by the HECB. They speculated that this result may be due to “behind the scenes” efforts of institutions and HECB staff.

The HECB's authority to approve new degrees offered by the public baccalaureate institutions has stimulated a healthy peer review and discussion among the various institutions when new programs are proposed.
–Legislative or State Agency Staff

No, program review is not a valuable role for the HECB. The remaining 44 respondents questioned the necessity or value of this function. Their criticisms fell into three categories:

- The approval process is an unproductive, bureaucratic intrusion on public institutions.

I'm not sure that there is a role for a body to dictate whether or not an individual institution ought to have a particular degree program. It's a superfluous level of government. . . . –Legislative or State Agency Staff

- HECB staff are no better than the institutions at identifying worthwhile programs.

That's a very difficult job for a staff to do. Universities have far larger staffs that are much closer to the problem. –Four-Year Institution Administrator

- The program approval process does not appear to be based on a broad policy or strategy regarding higher education in Washington State.

It's not clear to me how the decision-making actually occurs, vis-à-vis the programs that emerge from individual institutions. I'm not clear on what [considerations] the process is based. I've seen it at work a couple times with respect to some specific programs in some specific institutions, but it's not clear to me if it's done on a comprehensive basis. –Four-Year Institution Administrator

B. Authorization of Private Programs. The HECB sets standards for, authorizes, and monitors private and out-of-state colleges and universities that offer degree programs or credit-bearing courses in Washington State.³ Several respondents did not address this issue. Of the 58 who did convey their views, slightly fewer than half considered this function to be of value.

Yes, authorizing private and out-of-state programs is a valuable role for the HECB. In the view of 27 respondents, this function serves an important consumer protection role for prospective students in the state, and HECB staff perform this function “reasonably well.”

³ RCW 28B.85.020. Section 1, Chapter 38, Laws of 1994: Requires the Board to develop an interagency agreement to regulate degree-granting private vocational schools. The agreement divides responsibility between the HECB and the Workforce Education and Training Coordination Board (WETCB). The HECB is authorized to register institutions offering academic degree programs. The WETCB is authorized to register programs offered essentially by proprietary schools offering workforce training opportunities. The registration process was established by the legislature to control the presence of “diploma mills” in Washington.

They understand that this consumer protection role is less stringent than the HECB program review of public degree programs.

. . . once someone realizes that it's not an accreditation process for academic value, that it is a consumer protection thing, the board does this very well.
–Legislative or State Agency Staff

No, authorizing private and out-of-state programs is not a valuable role for the HECB.

The remaining 31 respondents answering this question criticized this function, not necessarily criticizing the HECB's role or performance. Respondents judged this function, as carried out, of little value to the state.

- The standards for approving private and out-of-state offerings are lax compared with the approval process for new degree programs at Washington State public institutions.

If you're going to be in the consumer protection role, you need to be more alert in the [private] sector than you are in the public sector where we have regents and trustees appointed and approved by the legislature. –Elected Official

There is a mismatch between the HECB's statutory charge and the expectations of policymakers and administrators of existing higher education institutions. –Legislative or State Agency Staff

- Authorizing private and out-of-state programs is a perfunctory, regulatory role of little value—a “rubber stamp.”

No, [this function is] not necessary for us to carry out our mission. I think we ended up with it simply because we have the expertise and knowledge about educational offerings in general. –Board Member

I don't get it; I don't hear a lot of complaints about fly-by-night institutions coming in and ripping people off. And I don't know whether there are institutions [that] would do that, [that] are proposing to operate, and the HECB is turning them down. –Legislative or State Agency Staff

C. Authorizing Off-Campus Facilities, Centers, and Consortia. The HECB is supposed to develop guidelines and approve public higher education centers and consortia, purchases and leases of major off-campus facilities, campus service areas, on-campus and off-campus activities and major facilities, and contracts for off-campus educational programs (RCW 28B.80.340(4-7)). Fifty-three respondents offered views on these activities.

Yes, authorizing off-campus activities is a valuable role for the HECB. Slightly more than one-third (18) of these respondents expressed positive opinions of the HECB's role and functioning with respect to this statutory activity. As reflected in the following comments, it is considered by some to be a valuable function that the HECB performs well.

The HECB has got to keep some control, presumably, over proliferation of public universities, and I think, especially one university or college or another . . . reaching in and poaching off somebody else; in other words, location for the installation of an off-campus site. They've got to really watch that.
–Four-Year Institution Administrator

It seems logical that they have some tie there, given the work and responsibilities they have in that area. . . . their review of our proposals for our learning centers and how they would work was handled very well.
–Four-Year Institution Administrator

Some respondents speculate that the mere existence of the HECB’s authority to approve off-campus facilities and activities encourages cooperation or better decision-making among the institutions.

The value is not [in getting] a request and then taking it through the process and approving it. It’s in influencing the institutions’ behavior, knowing they have to go through the process . . . –Legislative or State Agency Staff

No, authorizing off-campus activities is not a valuable role for the HECB. The remaining two-thirds of those addressing this question (35) were critical of this function. They questioned the standards used for the authorizing process, doubted the value added or saw potential harm in this HECB function, or saw it as unnecessary in today’s environment.

- The process does not have clear standards or limits:

I just really don’t have a clear idea of whether they have set limits, standards, or planning mechanisms so that the universities and colleges would know right up front whether, “We really shouldn’t try this because we know they won’t allow it.” –Four-Year Institution Administrator

- The process adds little value and may impede innovation:

I’d question why they’re even in the business. I mean, to me, that’s just one more roadblock in the step of innovation and flexibility of the universities, which are so desperately in need of that. –Community Member

- The process is unnecessary in today’s environment:

The reason they do that is because somebody is worried about encroachment on territory and duplication. I don’t think it’s necessary to have that regulatory function, because if a program is not good, it’s not going to survive anyway. –Community and Technical College Administrator

3. Administrative Responsibilities

In addition to its planning, coordination, and regulatory functions, the HECB is responsible for a number of administrative programs. The HECB administers the state’s financial aid programs, as well as a number of college preparatory and related programs.

A. Administration of Student Financial Aid Programs. The HECB is charged with administering the state’s financial aid programs: The State Need Grant, State Work Study, Washington Promise Scholarships, Educational Opportunity Grants, the Washington Scholars Program, Future Teachers Conditional Scholarships, Health Professionals Loan Repayments/Scholarships, Western Interstate Commission for Higher Education Student Exchange, Scholarships for Alternative Teaching Certification, and the American Indian Endowed Scholarship. Nearly all respondents (66) offered views on this topic.

Yes, the HECB performs this function well. Among those addressing this issue, 49 agreed that the administration of financial aid is an important role for the HECB and that the staff performs this function very well. Respondents were very complimentary of the HECB staff in this area and saw the HECB as a natural place for financial aid administration.

One of the highlights of the Higher Education Coordinating Board and their success is their functioning in the administration of the financial programs.
–Elected Official

[Financial aid] is a highly charged issue, with different sectors of higher education, the community colleges, the four-years, the private institutions, all having somewhat different points of view and trying to maximize their own interests. And the board and the staff have to find their way through that thicket, and I think they've done, really, quite a good job. I can't imagine who could do it better. –Four-Year Institution Administrator

While no respondents considered the administration of financial aid to be an unimportant function, eight questioned whether the function should remain with the HECB or some other agency.

It's an agency function. Leave it there. Maybe it's as good a place as any. But my guess is that there ought to be some real appointee in a real agency overseeing that with some real direct responsibility that flows to the governor . . . somebody in the business of writing checks. –Board Member

No, the HECB does not perform this function well. The remaining 17 respondents who answered this question provided criticisms. Respondents described problems in three broad issues:

- Challenges of communication, timing, and technology:

[S]taff does not listen sufficiently to aid administrators on campuses and are reluctant to make changes to HECB practices. –Legislative or State Agency Staff

It's taken them a long time to come up with figuring out what the grant amount should be for the State Need Grant. This is an ongoing issue. –Four-Year Institution Administrator

Their computer systems are very inadequate, and so we're still doing a lot of by-hand reports . . . it's not very efficient. –Four-Year Institution Administrator

- Strategic, statewide financial aid policy:

The whole big picture . . . how the programs work and where improvements need to be made. I don't get a sense of that. –Four-Year Institution Administrator

- An occurrence of unspent financial aid funds administered by the HECB:

I know there have been some others very concerned when we find out that some financial aid funds that the legislature has appropriated to the HECB have not reached students, and the HECB ends up with a surplus of sorts, and that's bothersome. –Elected Official

B. Other Administrative Responsibilities. The HECB administers a variety of college preparatory and other related programs. They include the Guaranteed Education Tuition (GET), GEAR-UP, Displaced Homemaker, Professional Development Partnership, State Teacher Training Grant, Community Scholarship Matching Grant, Child Care Grant, Distinguished Professors and Graduate Fellowships, and Supplemental College Assistance Migrant Programs. They also maintain the High School Core Course Database. Fifty-four respondents offered opinions on the role and functioning of the HECB with respect to administering these other programs.

Yes, the HECB performs these functions well. Thirty-nine of those who expressed views on this subject stated that the HECB performs these functions well or that they “have not heard of any problems.” According to one respondent,

[These] programs operate so smoothly and with so little controversy that many lawmakers and higher education officials are only marginally aware that they exist. –Legislative or State Agency Staff

It should be noted that the majority of respondents interviewed are in positions where they are not likely to observe or hear about the operation of many of these programs, unless problems are brought to the attention of relatively high-ranking individuals. Nevertheless, there was little criticism of the actual programs or their administration by the HECB.

No, this is not an appropriate role for the HECB. The remaining 15 respondents who offered opinions expressed concerns about this “hodgepodge” of small programs, implying that they may not be worth the time it takes the HECB to administer them. Several suggested reviewing these programs and cutting back on administrative distractions.

I was reminded just how many details there are here. Some of these things probably require virtually no work—distinguished professors; we haven’t given any money to that for years. But of course they’re all some detail work for somebody. And I guess that again raises the question in my mind, do we want a policy board or do we want an administrative board? And maybe in this area we want both. But I think that there’s a big structural question here.
–Elected Official

4. Planning and Coordination

State statutes assign a number of planning and coordination duties to the HECB. The board is responsible for, or is directed to play a role in, a variety of planning, budgeting, policy, and coordinating functions in collaboration with institutions of higher education. These include the following:

- A. Develop roles, objectives, and priorities for institutions of higher education;
- B. Develop a comprehensive master plan for higher education in Washington State;
- C. Review and make recommendations on higher education institution budget requests;
- D. Develop and recommend higher education policy and legislation; and
- E. Promote coordination among institutions of higher education and carry out a variety of statewide coordinating functions.

A. Develop Roles, Objectives and Priorities, and Comprehensive Planning. In collaboration with institutions and other higher education agencies, the HECB is directed to establish role and mission statements for institutions; identify the state's higher education goals, objectives, and priorities; and prepare the comprehensive master plan for higher education in Washington State. Of those interviewed, 65 commented on this issue.

Planning: An important role for the HECB. Twenty respondents stated the HECB performs at least part of this function well. Most respondents regard this function as important—perhaps the HECB's most important function. Only a couple respondents suggested that the planning role could occur elsewhere in state government. Generally, respondents spoke of the importance of having a strong voice—or advocate—capable of articulating a comprehensive strategy for meeting the state's long-term higher education needs and that the HECB should play that role.

They're the ones that we depend on to look at this overall need for higher education in the state of Washington. And they need to be able to look into the future, if you will, as much as you can and to see what our needs are going to be. What can we anticipate for student enrollment? Where are our students coming from? What kind of education are they going to be needing? What are our needs out in the future? –Elected Official

I think this is the most important thing they do. I think that the board can work at a number of different levels, but when they take their discussions up about 10,000 feet, then they're really doing the work of the citizens. –Four-Year Institution Administrator

Challenges to the HECB planning function. The majority (45) of the respondents addressing this issue described factors that they believe limit the HECB's planning ability.

Thirty respondents stated that the HECB does not articulate a focused vision for higher education in Washington State. They argued that there is some confusion about, and a lack of confidence in, the board's planning role.

- Differing expectations exist regarding the purpose of the board's planning role. These reduce to: Are they there to ration resources or to describe the overall needs of higher education to the legislature?

HECB members have held to the belief that their job is not to recommend decisions by the legislature, but rather to articulate the overall needs of the system. As a result, the board's budget and policy recommendations probably have not met the expectations of many legislators and other policymakers, who must make very difficult and contentious decisions to set funding and policy priorities in a challenging fiscal environment. –Legislative or State Agency Staff

- Some respondents are not confident that the board is a source of rigorous, thoughtful long-range planning. Some see the board as simply selling higher education rather than planning it.

[I] don't necessarily see them framing a long-run position, strategically, for higher education. . . . If we saw more energy and intelligence being put behind it, I think we'd be more willing to play a more active part. –Four-Year Institution Administrator

One-third of these respondents (19) reported the HECB's planning ability is hindered by a challenging environment of uncoordinated higher education sectors and multiple constituents: public and private institutions, the two- and four-year systems, the legislature, governor, and public. The HECB also lacks the authority to enforce specific plans, or they do not advocate them sufficiently.

Sometimes I don't see the plan being developed in the context of other factors in the state or involving enough of . . . the non-education constituencies to get the buy-in to it so that it might really work. –Four-Year Institution Administrator

B. The Influence of the Master Plan. Many respondents (49) commented specifically on the influence of the most recent or previous HECB master plans. Only a few respondents (2) commented on the technical merits of the master plans.

The first master plan was effective. Several (12) of these respondents praised the first master plan published in 1987 but indicated that subsequent plans have become less and less influential on higher education policy.

The 1987 master plan was a breakthrough document. The process that produced it was big news, and the document itself led to a fundamental change in how we deliver higher education in this state. Not just on branch campuses, but . . . a whole new thinking of how we deal with access. –Four-Year Institution Administrator

The state is still operating off the original plan. I think the board has always seen each plan as an update, but I think we're beyond that first plan at this point. . . . we have different issues, different pressures. We've done that plan, basically. We've got five branch campuses. –Four-Year Institution Administrator

The influence of recent master plans. Only about one-fifth (16) of these respondents, citing the HECB's use of the plan to focus on increased enrollment, expressed a belief that recent master plans continue to influence policy. Recent master plans are credited, however, with highlighting the need to serve growing numbers of incoming students and successfully describing the state of higher education for the public.

The emphasis in the master plan on increasing upper division enrollments . . . it seems to me they've been very successful in getting that point of view across to legislators. –Legislative or State Agency Staff

Problems with recent master plans. Most of these respondents (39) focused on recent master plans, criticizing the planning process, the product, or both. These respondents stated that recent master plans lack influence, because they fail to articulate a focused, bold strategy for achieving the state’s higher education goals, or because the planning process is not sufficiently collaborative and therefore plans lack ongoing support. In trying to do both, according to some respondents, the plan becomes watered down and less influential.

- Of these respondents, 21 stated the recent master plans lack a clear focus or bold strategic vision that describes the state’s higher education goals and identifies the specific steps needed to achieve them.

I think that they [master plans] need to become much more focused. If there is a value of the HECB in terms of establishing a strategy and goals for the higher education system, it has to be much more focused and much more explicit. –Elected Official

- Slightly fewer (19) respondents stated the recent master plans do not reflect a strategic vision that is shared by the four-year institutions, two-year system, private institutions, legislature, governor, and public.

[T]he institutions just give them [the HECB] lip service and then go about behind their backs doing other stuff. –Community Member

The legislature, the higher education committees, the Ways and Means or Appropriations committees go off and do their own stuff anyway. –Four-Year Institution Administrator

Rarely in a budget conversation with legislators or the governor will somebody say, “Well, you know, we have this master plan . . .” –Legislative or State Agency Staff

[T]hey have only minimal buy-in and involvement from . . . sectors who are going to make a difference in whether or not this can ever happen. –Four-Year Institution Administrator

C. Budget Review. The HECB is directed to review, evaluate, issue guidelines, and make recommendations on operating and capital budget requests from four-year institutions and the community and technical college system. Fifty-seven respondents addressed this issue.

Most respondents distinguished their comments between the operating and capital budget review. Respondents provided a variety of reasons for the HECB’s continued involvement in the budget process (although not necessarily as a reviewer of individual budget requests).

- The process makes the board more knowledgeable about the higher education budget;
- The budget process is an opportunity for the board to consider the student perspective regarding issues such as tuition;
- It is important that the state coordinate institutional funding requests, whether through a budget review or a more general funding formula; and
- The board needs to be able to describe the cost of meeting the projected needs of higher education and identify where the state is falling short.

The HECB review of operating budget requests: A questionable role. A majority of respondents (50) identified a range of issues that cast doubt on the value of the HECB review of operating budget requests. These respondents described problems with the timing and value of the HECB budget review and the board's role with respect to the institutions, the Office of Financial Management (OFM), and the legislature.

- Nearly one-fifth (11) explained that the timing of the HECB budget review prevents it from having a meaningful impact on budget negotiations.

The timeline for the budget process itself takes the HECB out of position to have a meaningful role. The institutions have already submitted their budget requests to OFM before the HECB receives or reviews them. –Legislative or State Agency Staff

- About one-third (21) described the HECB as being “stuck” between OFM, the legislature, and the institutions during budget negotiations.

It's a free-for-all between the institutions that are autonomous with their own governing boards and their own mission and responsibility. They make their case through OFM and the legislature, and whoever is in between is kidding themselves. –Legislative or State Agency Staff

- Several (16) respondents characterized the process as a “repackaging” of the institution and community and technical college budget requests or an extra “hoop to jump through” with little added value.

[T]hey compile the higher ed institution budgets. They add on that we need more enrollment. And they send it to us and the legislature. There's extraordinarily limited value in that. –Legislative or State Agency Staff

- An equal number (16) described the challenge of making policy-based operating budget recommendations given the structure of the state budget process.

There is a disconnect between the structure of the budget and the expectation that the board's recommendation be policy-based. It's a little hard to say . . . now here's the policy on quality as it pertains to maintenance level, and here's the policy on quality as it pertains to an enhancement. –Legislative or State Agency Staff

The process hasn't had the same kind of focus around themes that are related to the master plan and the work of the HECB that signal to the institutions that this is the direction we are going. –Four-Year Institution Administrator

For the upcoming legislative session (2003), the HECB appears to have altered its approach to reviewing operating budgets. Recognizing that institutions submit their budgets independently, the HECB will not review detailed budget requests but will focus instead on broader policy issues. One institutional administrator describes this new approach from the perspective of the HECB:

We're not interested in the details of your budget; you guys know your budget; we don't give you the money, the legislature gives you the money. . . . What we want to know is the outlines of your budgets. . . . [W]hat are the needs of the universities in terms of your ability to meet the public demand for higher education. Where are you falling short, what do you need to get the job done? –Four-Year Institution Administrator

Review of capital budget requests. Eighteen respondents described the HECB budget review as valuable; the majority referred to the board’s recently amended approach to capital budget requests. During the last budget process, the HECB combined four-year institutions’ capital budget requests (which were not collectively prioritized) with the community and technical college requests (which were already prioritized by the SBCTC) and sent the combined priority requests to OFM. This departure from previous practice (which did not prioritize all higher education capital projects) was regarded by many as an improvement.

Their capital recommendations are taken seriously. The HECB develops a list . . . that prioritizes projects, regardless of location and institution, and gives it a score and says which way it will be done. That has real impact.
–Four-Year Institution Administrator

[T]he one piece that seems to be valuable to me was prioritizing capital. To take the capital budget of the four-year publics and the two-year publics and apply a common lens to it and try to prioritize within that . . . which is a nightmare to try to do. But that seems to be of value. –Community Member

While the new approach is valued, some respondents question the process by which the capital budget priorities of the four-year institutions are merged with the already prioritized community and technical college capital budgets.

The community college system goes through a very detailed prioritization process within the 34 colleges, and then the HECB attempts somehow to take university requests and community college requests and mix them together. The process is a mystery to me. – Community and Technical College Administrator

D. Make Recommendations to the Legislature. By statute, the HECB is directed to make recommendations to the legislature regarding issues affecting higher education: tuition and financial aid levels, mergers or closures of institutions, and the need for new baccalaureate institutions.⁴ Forty-seven respondents described their views with respect to these activities.

An important role for the HECB. Only two respondents questioned the value this role, especially regarding issues of broad public interest. Making policy recommendations to the legislature was viewed as more important than the “administrative detail” that occupies the HECB’s time. Overall, respondents spoke of the “real value added” by an organization that can skillfully handle the state’s complex higher education policy issues—over and above making recommendations on tuition and financial aid.

- For some, this activity epitomizes how the HECB can act as an advocate of higher education:

[The board] can take what have been regarded as sacred rules, and say, “Wait a minute, they’re protecting institutional territory, but they’re not really serving the needs of the people of the state. So we want to call for a review of that.” That’s a good role for them; somebody’s got to do it. And legislators have a hard time because for them, every decision is a local political decision.
–Four-Year Institution Administrator

⁴ RCW 28B.80.330(7-10).

- For others, this area is where the board can provide a detached, critical, statewide perspective on policy:

Legislators really need sound, neutral recommendations from the board rather than each institution. They will hear arguments made by each institution, but to keep an independent and neutral, from the state's point of view, opinion from the HECB is very important. –Elected Official

The current role of the HECB. A few (9) respondents stated the HECB is effective in selling the need for financial aid and promoting affordable higher education. The board also communicates a consistent message regarding access to the legislature, which also has proven to be influential:

The HECB's been very clear in its recommendations to the legislature about the need for funding, especially with respect to financial aid services and the need to continue to provide access for students who otherwise would not have access. –Four-Year Institution Administrator

Challenges to the current role. Most respondents answering this question (33) describe a range of issues that limit the HECB's ability to function effectively in this role: the board is reluctant to make strong policy recommendations; the board is not supported by the legislature or institutions when taking that role; and there is a need for more rigorous, high-quality research that leads to sound policy formation.

- Nineteen respondents described the board as “reluctant to become involved in the intense legislative debates over state higher education policy and funding priorities.” They stated that board members have little impact or involvement in the legislative process and that HECB staff do not work closely with others in the higher education community to develop policy and legislative recommendations.

They tend to fall into two camps. One is a camp of people who are trying to take a longer look at higher education and develop some meaningful planning . . . trying to set the stage for the legislature. There are other people who think, well, we just ought to be here and kind of react to what the legislature wants and not get beyond the questions that we're asked. So you get those two different camps, and that results in some real differences. –Four-Year Institution Administrator

- A smaller number (9) of respondents blamed the lack of support from the legislature and the higher education institutions as obstacles to the HECB's ability to develop and recommend policy.

If the legislature doesn't follow the advice of the HECB, it essentially undermines any kind of perception to us in higher education that it's an important vehicle for us to work through. –Community and Technical College Administrator

It's not respected by the institutions it's supposed to coordinate. That's a fact. And you know, while they'll steer away from saying it publicly, when the door is closed, you don't find any of the institutions that support the HECB's role. –Elected Official

- The remaining six respondents want the board to be a source of high-quality rigorous research that is more data driven and a source of innovative thinking on higher education policy.

The state would benefit greatly from a strong, capable, non-partisan policy shop. The best example that I know of [is] the Congressional Budget Office. I mean, they're a policy shop where people are proud to work. They get themselves in trouble frequently. They are rarely wrong, never overtly partisan, and they serve a true role. –Community and Technical College Administrator

E. Coordination. In statute, the HECB is directed to promote coordination among institutions of higher education. It is also directed to perform a variety of coordinating functions with respect to the following:

- Admission, transfer, and residency policies;
- Reciprocity agreements with other states;
- Disputes between institutions;
- Compensation for administrative employees and faculty;
- Compliance monitoring;
- State systems for collecting, analyzing, and distributing information;
- Performance accountability for institutions;
- The “Gender Equity, Tuition and Fee,” and “Cost of Instruction” reports; and
- Efforts to increase minority participation in higher education.

Respondents were first asked to comment on the board’s role in carrying out these coordinating functions. (Many respondents commented on specific areas of coordination. For instance, they spoke of the importance of transfer policy rather than the HECB’s role in coordinating transfer policy. These comments were not coded.) They were then asked to comment on the broader role of promoting coordination among institutions.

Coordinating functions: A role for the HECB. Forty-eight respondents commented on these HECB coordinating functions. Some (14) described the statutory coordinating functions as a legitimate role for the board, particularly with regard to collecting, analyzing, and distributing information and bringing uniformity and efficiency to activities that merit a single, statewide policy. They considered the HECB to be carrying out at least some of these coordinating functions reasonably well.

I think the role that makes sense is where there is a compelling interest in having a statewide view. Reciprocity agreements with other states, settling disputes between institutions so they don’t come into our office, gathering and analyzing, distributing information . . . –Legislative or State Agency Staff

I think the Higher Education Coordinating Board has probably handled those as well as any other entity that I can think of. –Community and Technical College Administrator

Coordinating functions: A distraction for the HECB. Most respondents answering this question (33) viewed these specific coordinating functions as administrative detail that gets in the way of the policy role they believe the board should be playing.

After you've read the list of all the different [things to coordinate], it seems like there's too much there for them to be focused, and somehow we need a more narrowly focused organization, perhaps, to get more attention to the issues.

–Elected Official

- About half of these respondents (16) viewed the HECB as unable or unwilling to carry out some coordinating functions because they do not have sufficient authority or support to do so.

I don't think that the institutions really take it seriously. I mean, as I said, I think the coordinating part of their title is the hardest thing for them, because I'm not convinced that the legislature really wants them to coordinate, and I know that the institutions don't. –Legislative or State Agency Staff

- Other respondents described the HECB as having lost interest or as “drifting away” from some of their coordinating functions. Here, one respondent described the HECB’s commitment to its role in coordinating transfer policy, admission standards, and accountability.

On many issues, the board has delegated responsibilities to committees formed by the higher education institutions, failed to regularly revisit important issues to ensure that state policies were effective and up-to-date, or simply appeared to lose interest in certain subjects. –Legislative or State Agency Staff

Promoting coordination: Where it works. Sixteen respondents stated that periodically the board performs this function well. Many comments simply affirmed the value of getting the institutions talking. To some, the mere presence of the board, the threat of its involvement, promotes more intense cooperation among institutions.

Institutions will do a lot to avoid getting something into the purview of the HECB. It brought us together in many ways that have been very positive in terms of working together. “You don't want the HECB getting in on this, do you? Let's figure it out together.” . . . it was . . . “Hey, you guys gonna work this out, or do you want us to get involved?” It was always, “No, no, no, we'll work it out.” –Four-Year Institution Administrator

A number of respondents described the coordinating role played by the HECB at a time when Eastern Washington University was experiencing difficulties as an example of what the board can do for the state.

I think the proof of the effectiveness of the HECB's role is something that came close maybe to a closure, not really a closure but an institution that perhaps was at risk financially. I think that the proof in the staff's effectiveness and the board's effectiveness is to look at where Eastern is now. And they're in great shape. Any of us that would have been in that situation would have been delighted to be where they are now. –Four-Year Institution Administrator

Promoting coordination: Its challenges. Forty-six respondents commented on the HECB’s role with respect to promoting coordination among the institutions. Most (30) provided a variety of “structural” reasons to explain why the board has little impact on the relationships among the state’s colleges and universities.

- The institutions are too different from one another to enforce uniform standards;
- The State Board for Community and Technical Colleges and the Council of Presidents already do the coordination;
- Disputes are settled with phone calls between presidents, not by the HECB;
- You don’t need an entire agency just to handle occasional conflicts; and
- The institutions do what they want to do anyway.

It’s really my sense that the six public universities operate very independently from one another and the 34 community and technical colleges do operate as a fairly centralized system, and so I think there are some structural issues in the way we’re organized in the state that work against the HECB really having a very strong coordinating function. –Community and Technical College Administrator

5. External and Internal Influences on the Effectiveness of the HECB

Respondents were asked to consider the external operating environment and internal characteristics of the HECB. In addition to its formal statutory authority, any number of external and internal factors also may influence the strength and effectiveness of the agency. Survey respondents were asked to identify important external and internal influences on the HECB. The responses, grouped into broad categories, are displayed in Exhibit 4 and summarized in greater detail below. Of the 70 individuals who were interviewed, 55 commented on the external influences and 61 on the internal.

Exhibit 4
External and Internal Influences on the HECB’s
Effectiveness as Identified by Interview Respondents

| Respondents Identifying External Influences (N=55) | | Respondents Identifying Internal Influences (N=61) | |
|--|---|--|--|
| 22 | Legislative or Executive Branch Leadership | 29 | Identity and Engagement |
| 20 | Statutory Role or Authority | 23 | Leadership and Organizational Dynamics |
| 19 | The Structure and Culture of Higher Education | 20 | Expertise or Credibility |
| 17 | Prestige or Influence | 19 | Orientation to Institutions or Legislature |
| 13 | Budget-driven Higher Education Policy | 15 | Board Composition |

Respondents may have cited more than one influence

External Influences

Respondents were asked to comment on the external factors that influence the effectiveness of the HECB. Grouped into five broad categories, the factors mentioned were leadership, the board's role or authority, the structure and culture of higher education, the board's prestige or influence, and a policy environment dominated by the state's budget.

Legislative or executive branch leadership. Twenty-two respondents stated that an absence of leadership, support, or vision from the legislative and executive branches influences the effectiveness of the HECB. Respondents described the unwillingness of the state's leaders to make "tough decisions," or to stand up and say, "This is what we need to do" regarding higher education. These respondents did not perceive a . . .

. . . willingness of the governor and legislature to articulate a vision or direction for the state's higher education system, which would help a citizen board like the HECB focus its efforts. –Legislative or State Agency Staff

- Eight of this group of respondents described a lack of both legislative and executive branch leadership or support for the HECB:

[I]f you're going to have a state coordinating board, and I see an important role for a state coordinating board, they really do need to have strong support from both the executive and the legislative branches if they are going to carry out their function. And I'm not sure they've got that right now. –Four-Year Institution Administrator

- Twelve of this group of respondents described a lack of legislative leadership or support for the HECB or doubted the legislative leadership's ability to understand the issues:

I think first of all, the huge challenge is that the legislature is not clear on what they want the HECB to be. –Four-Year Institution Administrator

I think the lack of understanding on the part of some legislators plays a tremendous role in the ability of the HECB to do what it wants to do and what it needs to do. . . . I think they believe they understand and they want to understand and they certainly want to support education, but . . . struggle with trying to understand why is it there are not identical admission standards to all programs everywhere, or why someone who is a hardware technician can't automatically enter into a bachelor of computer science program.

–Four-Year Institution Administrator

Structure and culture of higher education. Nineteen respondents described a HECB challenged by the structure and culture of higher education. This included a "fragmented" and political higher education system and the influence of the institutions on the HECB and the legislature.

- Fourteen of these respondents spoke of the challenge of working with a "fragmented" and political higher education system:

I don't think that they can just coordinate all these different interests, particularly in a time of scarce resources where the different interests are trying to save their own. So, in terms of the external environment, I think we've created for them a really impossible task to lead, in terms of higher

education, and that somehow we've got to deal with that. The whole notion of the separate board for community colleges, a Council of Presidents, and a Higher Education Coordinating Board just seems to me to be a formula for gridlock. –Elected Official

I wouldn't want to work in any higher ed policy area, policy development or research because of how fragmented the system is and because there's not generally a great deal of respect among the four-year institutions in particular for those of us here [a state agency]. The HECB isn't the only centralized institution that has trouble interacting with the four-year system. –Legislative or State Agency Staff

- Nearly one-third of these respondents (6) reported that the effectiveness of the HECB is affected by institutions seeking to influence the board or the legislature. They described efforts made by the higher education institutions to influence the decisions of the HECB, and the University of Washington's "own pipeline" to the legislature.

[O]f course, the huge lobbying capability of the universities and their alumni leave the HECB really pretty benign. –Community and Technical College Administrator

Statutory role or authority. Twenty respondents characterized the statutory role given the HECB as vague and lacking sufficient authority to be effective.

- Of this group, nine described the statutory role of the HECB as too vague or complex:

It is unclear what the legislature wants them to be. They are both a regulatory board and a policy board. They are asked to consider economic development and traditional academics. These conflicting roles and their constituency (legislature, the public, and higher education) put the HECB in a very ambiguous situation. –Four-Year Institution Administrator

They are, in a sense, asked to be for Washington what statewide system governing boards are in other states, but then they're also asked to step outside of that role and coordinate all of these competing, or potentially complementary interests, for efficiency and for the most benefit to the public, and I think those are somewhat competing interests. –Community and Technical College Administrator

It seems to me that their charge is kind of impossible in a sense, because it's too broad and too multifaceted . . . ; it seems like somehow it needs to be honed down and maybe revised. –Elected Official

- Eleven of these respondents considered the level of authority granted to the HECB as insufficient for its coordinating functions. The board simply "doesn't have the clout to get things done" or is "hamstrung" by its lack of authority.

It's pretty clear to me if you're going to coordinate institutions of higher ed, you have to have some authority to do it. You have to have, probably, budget authority. –Staff

The institutions won't let them coordinate and most of the legislative folks don't want them to. So they're stuck. . . . I think for the most part, the boards have been good. They are folks that really care about higher education, but they're hamstrung. –Legislative or State Agency Staff

Prestige or influence. Seventeen respondents noted that a degree of dissatisfaction or a lack of respect from institutions, the legislature, or the executive branch influences the effectiveness of the HECB. Whatever the reason, the “working relationships are not good.”

At this point, I think you have a legislature that's pretty unhappy with them. You have an executive branch that at best ignores them. –Four-Year Institution Administrator

If the legislature and the governor's office looked to the HECB fairly frequently, in other words, when a discussion would come up with a president from a particular institution and the governor would say, "Well, are you working with the HECB?" or legislators the same way, that adds a lot of strength to the HECB and its roles, because then the institutions realize that the external entities are looking to this board, and they should be, too. –Legislative or State Agency Staff

Budget-driven higher education policy. A few (7) respondents commented that regardless of what the HECB does or does not accomplish, the overriding factor is the state budget. They saw higher education policy as something that is set during the budget process, independent of the influence of the HECB.

The policy decisions are so driven by budget policy and they [the HECB] are not making the final budget policy. I think they could be a stronger voice or a clearer voice. –Elected Official

Internal Influences

Respondents were asked to comment on the internal factors that influence the effectiveness of the HECB. Most (61) identified one or more internal factors that they believe influence the HECB's effectiveness. Grouped into five broad categories, the common factors mentioned were the organization's identity and degree of engagement, leadership and organizational issues, staff expertise or credibility, the board's focus on four-year institutions or the legislature, and the composition of the board.

Role and engagement. Twenty-nine respondents described a HECB that does not have a focused role. The board “doesn't know what it wants to be,” or, it drifts toward its “bread and butter” regulatory and administrative functions. Specifically, the board is viewed as more of a regulatory agency than a “think tank.” Respondents also saw a board that is tentative about its role in the state's higher education policy arena.

- Of this particular group of respondents, 19 raised questions about the role the HECB chooses to play. Should the board be more of an advocate and for whom—four-year institutions or two-year colleges? What balance should the board strike between its regulatory activities and its policy role? Or, should the HECB stop trying to be everything to everyone and focus instead on the “big picture” and driving a higher

education policy agenda? In the words of one respondent, the HECB is “a competent group of bright people who aren’t quite sure what they’re supposed to be doing.”

After you’ve read all the list of all the different charges, it seems like it’s too much for there to be a focus, and somehow we need a more narrowly focused organization. –Elected Official

I could make an argument that the HECB is neither fish nor fowl right now, that it’s not in charge of anything; the things that it is in charge of, in terms of policy and planning and coordination, it doesn’t do very well. . . . It administers programs really well. So I could argue, either be a policy board that does the research and does the analysis—but the board members don’t want to do that, they want to promote programs—or be an administrative agency. But there’s no need to have a board to administer programs.

–Legislative or State Agency Staff

- Fourteen described a board that is not playing a role in setting or driving the state’s higher education agenda. As a result, the members are not viewed as leaders. Respondents expressed the view that the board should be more engaged with all segments of higher education, develop more collaborative relationships with the institutions, and talk to more legislators directly. Board members need to establish a stronger political presence.

No matter how good somebody is in the HECB, I mean, you’ve got six universities with people who just know a lot. It’s much better to collaborate than it is to try to say “we know.” –Four-Year Institution Administrator

It’s up to us [the HECB] to influence the public and the legislative process of what is going to benefit higher education. I don’t think regulatory power is what makes it happen, because that can always be curtailed by legislative efforts. I think it’s one of influence of a good, strong leadership, and having a good master plan. –Board Member

[We] need to have a more intentional network. We do next to nothing in terms of interfacing with regents and trustees. And again, you can argue we’re supposed to be above all of this. But by the same token, if we’re going to have a coordinated effort, I think somehow we have to figure out how to interface more directly with some of these people and not always just at the president level or the director level. –Board Member

Leadership or organizational dynamics. Twenty-three respondents spoke of leadership and organizational problems that may influence the effectiveness of the HECB. Some saw a lack of communication between the board and staff at the HECB. Others raised concerns about the current leadership of the board.

- **Board/staff coordination and communication.** Ten respondents described an apparent lack of communication between the board and staff. To some, the staff is seen as not informing the board or as having too much control. To others, the board is viewed as not paying attention to its staff. Whatever the reasons, the board and staff appear to some respondents to be “working off different pages.”

There seems to be very little communication between the board members and the staff. That's something that I, again, find very troubling. I think that puts the staff in a very vulnerable position if their recommendations are being overturned as they have been now a couple of times in the last couple of meetings. It really is going to make life very difficult for them. –Four-Year Institution Administrator

By what mechanism are the members of the HECB educated, and how deep is that education? And quite frankly, I don't think that the staff, as all staffs, have done much of a job in educating: you know, sometimes the staff doesn't actually want them to know all that much. –Four-Year Institution Administrator

- **Board leadership.** Seventeen of these respondents questioned the present leadership of the board, either by specific reference to the current leadership or by comparison to past leaders.

Past leadership. Nine respondents pointed to the brand of leadership under its first chair as an example of what the board needs today. They described a strong voice for higher education, a strong leader, and a visionary as qualities they say contributed the success of the HECB in its early years.

[The first chair of the HECB] is an extraordinary policy leader and a very bright, critical thinker who is also pretty well connected and who did an amazing amount of going out around the state and talking to people about what the issues were. I mean, he had a little slide show before the age of PowerPoint. We had a little, literally, a slide projector slide show for them, and he'd go [to anyone who] would listen to him and talk about these issues. And he was pretty visionary, so I mean, you had that strength, and that was pretty key. –Four-Year Institution Administrator

Not every respondent credits the first chair for all the agency's early successes. Rather, they see that success as the product of a combination of adept leadership and other important external factors such as the political climate, timing, and resources:

Oh, timing and politics. That was their first [master] plan. Their chair. And hey, it was major pork, five branch campuses. –Legislative or State Agency Staff

Present leadership. Many respondents expressed their appreciation and respect for the HECB's present leadership, both the executive director and chair. They described the chair's dedication and commitment to affordability and access and the executive director's considerable experience with the legislature and demonstrated interest in higher education.

[The chair] is doing a great job because he's taking the question of access and trying to make it a public issue. . . . He deeply, deeply cares about higher education and the students. –Four-Year Institution Administrator

I happen to think [the executive director] is effective and his rapport with the legislature, the governor's staff, and people in higher education is very, very helpful to the HECB. –Community and Technical College Administrator

Eight respondents voiced concerns about the leadership style or focus of the chair and, to a lesser extent, the legislative focus of the executive director. They stated that the chair's "whatever it takes" approach does not adequately appreciate the legislative process or consensus building. Others viewed the chair as having "too narrow" a focus on traditional university education and financial aid.

I think [the chair] cares deeply about higher education and the students. But I think people are uncomfortable with either the direction he goes—his focus on the four-year institutions—or his approach to consensus building or the legislative process. –Legislative or State Agency Staff

Leadership on the board is a crucial factor. And when you have a leader who is focused mostly on financial aid, that's going to impact the board's actions, generally. –Elected Official

A few respondents suggested that the executive director's extensive legislative background, while beneficial in many ways, makes him too tentative on legislative matters or too deferential to committee leadership.

Somebody who's been in the legislature for many years is reasonably sensitive to the legislature, [but] it makes it harder for him to be a leader. He's always wondering, "What's the legislature think, or am I going out on a limb?" I guess I'd like to see him go out on a limb. –Four-Year Institution Administrator

A number of respondents pointed out that the HECB chair is selected by and serves at the pleasure of the governor and suggested that a rotating chair or a chair elected by the board would be preferable. Legislation concerning this issue was passed during the 2002 session and partially vetoed (SB 6557, Chapter 348, Laws of 2002). Under the new legislation, after the end of the present chair's term, the board will elect a chair and vice-chair who shall serve one-year terms.

Staff expertise and credibility. Many respondents were complementary of the HECB staff. They described a smart group of professionals led by an executive director who knows how to be effective in Olympia. According to this view, they produce timely, unbiased, high-quality work under challenging circumstances.

I think the staff is really strong right now at the HECB, and underused by a lot. The capacity to do the policy issues, in a very sophisticated way, is there. . . . It's almost a dream team. –Legislative or State Agency Staff

I have to tell you, when you deal with the legislative and the executive branches and all the problems we get with anybody dealing with us, you've got to be a genius to make your way through that area. We're changing. We're a new body every two years. One time we're going left and the next time we're going right, and if there's one thing I have to be complimentary of, their staff, I think, is very, very good about knowing how to interface with that type of environment. –Elected Official

A few respondents commented that they did not know what the state got out of the HECB's "high paid" staff. Twenty of the respondents commented on HECB staff experience and

expertise. They described a staff that, due in part to turnover, does not have sufficient background and expertise in higher education. According to these respondents, greater staff expertise in higher education policy would improve the HECB's credibility with institutions of higher education and the legislature.

Because the staff has little direct experience on college campuses, it does not know how its policies or recommendations impact those individuals on campuses who need to administer them. –Legislative or State Agency Staff

Absent structural changes, organizational changes, or RCW changes, that would be a potential way for them to be more effective; if everybody said, "Hey, some of the best higher ed or educational policy thinkers and research people in the state are on the HECB," then automatically they would have a lot more influence. –Legislative or State Agency Staff

Orientation to institutions or legislature. Almost one-third of respondents (19) characterized the HECB as being too oriented toward legislative or institutional interests rather than the public good:

- Twelve described the HECB as overly deferential to the legislature. Respondents viewed the HECB as too inclined to ask for permission rather than merely act under the authority they already have or suggest changes in legislation that would affect their role and authority. They are seen by this group as too likely to adopt expedient, political solutions rather than do what's best for higher education in the state. To some, the board appears to be an extension of the legislature:

I've really appreciated the function that they provide. But in doing so, they almost become like another staff position to the legislature. –Elected Official

Current staff seem to be prepared to give political responses from an "inside Olympia" perspective instead of being prepared to lay out a comprehensive roadmap of what kind of higher education opportunity needs to be in place to meet the needs of future generations of Washington citizens. –Legislative or State Agency Staff

- Seven respondents viewed the HECB as too focused on or overly influenced by the public four-year institutions. Respondents stated that the board fails to adequately consider the two-year and private sectors of higher education.

[The HECB] rules out the role of the independent colleges in the state on anything but a very peripheral level. They don't see the private institutions as being part of the solution. They see us as sort of a headache that they have to give some of the financial aid money to . . . but other than that, we're just kind of a nuisance. And they forget that 25 percent of the baccalaureate degrees granted in the state are granted by our institutions. –Four-Year Institution Administrator

We're almost in competition with the four-years, and I'm not sure where that puts the HECB, but they're not out there advocating for our budget. Maybe they're advocating for four-years. –Community and Technical College Administrator

Board composition. Most respondents acknowledged the dedication and efforts of the volunteer board. Fifteen of the 61 respondents who spoke about internal influences, however, described issues related to the board’s composition that may influence its effectiveness. They considered some members as lacking “understanding of” or “respect for” higher education, appearing to represent regional interests rather than the broad public interest or having close ties to institutions that could represent conflicts of interest.

The board is made up of many people without any understanding of public higher education or the role of a public lay board. They seem to represent a geographical area within the state rather than the state as a whole. Some appear to have conflicts of interest. –Legislative or State Agency Staff

If members represent a particular region, interest, or sector, it makes it more difficult to shape policy recommendations from a public interest perspective. –Four-Year Institution Administrator

There are a lot of individual members who have ties to institutions. –Legislative or State Agency Staff

This concludes the discussion of the interview results. Part II of this report describes the history of Washington State’s higher education agencies and the events that led to the creation of the HECB and its current statutory role and authority. This description, along with an examination of other states’ attempts to wrestle with the challenges of coordinating higher education, provides a useful perspective from which to interpret the results of the interviews.

Part II

***History of Higher Education Coordination in Washington
and Governance Models in Other States
(By William Chance, NORED)***

INTRODUCTION

Part II of this report is about Washington's Higher Education Coordinating Board (HECB), and the managerial relationships that exist and could exist between the state and its colleges and universities. The effectiveness and appropriateness of state higher education agencies such as the HECB inevitably rely on the relationship between the state and its institutions. The HECB occupies the space between the two, a place where signals are frequently mixed and constantly changing and where agility can be a prerequisite for success.

The nature of the relationship between a state and its institutions can be inferred from the purpose statements and powers described in its coordinating board's enabling statute. A board's statutory role and authority, however, are relatively fixed and not likely to keep pace with rapidly changing social, economic, and political environments. Therefore, statewide higher education agencies are rarely able to satisfy everyone and almost never for very long.

Despite attempts to classify state governance systems into a few types, every state's governance model is unique. None is perfect, all must deal with changing environments and fluctuating confidence levels, and none is transplantable.

Washington's System of Higher Education

Compared with some state systems, Washington's is relatively straightforward. Nearly 40 independent boards govern institutions in the public sector in Washington State. Their traditions of institutional autonomy both contribute to and explain the reason why Washington has a coordinating board rather than a centralized governing system for higher education. Thus, Washington's statewide higher education agency, the HECB, does not have direct management authority over the public colleges and universities, it does not hire presidents or members of the faculty, and it does not operate institutions. These responsibilities are the province of the individual institutional governing boards, and, to some extent, the State Board for Community and Technical Colleges (SBCTC).

In the case of the universities, the institutional governing boards are the Boards of Regents for the University of Washington and Washington State University, each of which also is responsible for the University of Washington Bothell and Tacoma branch campuses and the branch campuses of Washington State University in Spokane, the Tri-Cities, and Vancouver. Central, Eastern, and Western Washington Universities and The Evergreen State College also have individual boards of trustees appointed by the governor. In this sense, these institutions are stand-alone entities, but unlike institutional and system governing boards in some states, Washington's boards and institutions are not empowered by provisions in the state Constitution. Rather, their authority is conferred by Washington statute, as is the case with all public higher education boards in Washington, including the HECB and the SBCTC.

Washington's 34 community and technical colleges comprise a statewide system, "supervised and controlled" by the SBCTC (RCW 28B.50.090). The governor also appoints

members of the SBCTC. Each district and some institutions in this system also have a governing board, also appointed by the governor. Since a few districts comprise multiple institutions, the number of boards (30) does not equal the number of institutions (34). These boards are responsible for operating the institutions in their districts in accordance with the purposes of state law, employing presidents, and doing those things necessary to “govern, manage, and operate” the district and its institutions.

Another sector of Washington higher education to be considered by the HECB in its planning and student financial aid administration roles consists of Washington’s private or independent institutions. These include Gonzaga University, Heritage College, Pacific Lutheran University, St. Martin’s College, Seattle Pacific University, Seattle University, the University of Puget Sound, Walla Walla College, Whitman College, and Whitworth College; each is governed by its own board, and each is a member of the Washington Association of Independent Colleges and Universities (WAICU). Other independent institutions include Antioch University, Bastyr University, City University, Cornish College of the Arts, Henry Cogswell College, Northwest College, Northwest College of Art, Northwest Indian College, Pacific Oaks College Northwest, and Puget Sound Christian College.

Looking Back: The Council on Higher Education

An appreciation of this variety and history were strong in the mid-1960s when the Council on Higher Education, the HECB’s forerunner, was conceived. Accordingly, the model was a statewide *coordinating* board rather than a statewide *governing* board. Attitudes of institutional representatives at the time may be inferred from the purpose clause of the Council’s 1969 enabling statute: “The four-year educational institutions, under the *autonomous* governance of their governing boards, and operating within guidelines set by statute for particular institutions of higher education, have responded to the many kinds of educational needs of the people of a dynamic and growing state.” And, “The state has been well served by the delegation to the institutions of a *large measure of autonomy* which has enabled them to cooperate in achieving educational and operating effectiveness” (RCW 28B.80.020, emphasis added).

The legislature of the time had no apparent concerns with institutional governance. Their goal, instead, was to create an organization that could pull it all together. Thus, “With the increase in the number of postsecondary institutions [a new state college and a new 26-institution community college system] and in the scope, variety, and extent of education demanded of the institutions by the people of a dynamic state and the need to maintain articulation and coordination among the parts of a more complex system of higher education,⁵ it is desirable to establish a council to *facilitate planning for higher [postsecondary] education*” (emphasis added). Finally, the last paragraph of the purpose clause specified the body’s deliberations should involve “representatives of the governor, the public, and the institutions, agencies, and systems of public and private higher education” (RCW 28B.80.020).

Few had any doubt about the difficulty of imposing a centralized statewide governance authority on such an aggregation of different institutions. This option was considered, and it was considered again 15 years later when the HECB was formed out of the ashes of the

⁵ This was changed to ‘postsecondary’ education in 1975.

CPE, but it was not done. The choice was a coordinating board. For many, it was the only way to reconcile the state's need for comprehensive planning with its tradition of independent institution governance. The choice has been reconsidered a few times since, but centralized governance has not been a viable option in Washington State.

Moving Beyond: Functions and Structures

It is clear that numerous people have responsibilities for governing the higher education system in Washington, and none have responsibility for governing it all. An organization chart for higher education governance in Washington would be a challenge to draw in two dimensions. In addition to the nearly 40 institutional boards, there are state, executive, and legislative organizations with responsibilities for at least some aspects of higher education governance. By statute, only one board is responsible for *coordinating* it all. The relationships among the participants are not direct.

Higher education governance is even more complex than revealed by a listing of organizations and functions. Usually when people think about it, they focus on how it is being done and who is doing it. The “how” and the “who,” respectively, are the *Functional* and *Structural* dimensions of governance. The Functional involves *what* is expected of governance. The Structural concerns *how* governance is organized to meet these expectations.

Governance, however, involves more than these. In addition to the *Functional* and *Structural* aspects, there are the *Collaborative* and the *Adaptive* dimensions. The Collaborative relates to the extent to which the system addresses, accommodates, and combines the divergent interests of major players—its capacity to bridge different perspectives and organizational cultures. The Adaptive covers its capacity to anticipate and adjust to new and changing needs, conditions, settings, and environments. Washington's Collaborative and Adaptive capacities have not been its strengths, at least not for any sustained period. Many other states share this limitation.

Studies of statewide higher education agencies tend to emphasize assignments of responsibility and organizational configurations. The last major governance studies for Washington, in the late 1960s and mid-1980s, exemplify this characteristic in their calls for a statewide coordinating board and a concomitant distribution of functions and responsibilities. In both cases, the emphases were on the structure of this board and its authority.

These dimensions are necessary, but it is the other two, the Collaborative and the Adaptive, that have gained recognition in recent years. In fact, their comparative lack of attention in the past may account in some ways for the circumstantial discomfort with statewide boards that is apparent throughout the country. Reorganizations limited to the Functional and Structural dimensions might as well be determined by a game of darts with different models as targets.

In a recent paper for the Association of Governing Boards of Universities and Colleges, Darryl Greer broached the subject of collaboration indirectly when he wrote, “Governance, in large part, defines who is accountable for what outcomes, who is responsible for decision making and service delivery, and who has the authority to evaluate and enforce decisions.

Governance means *collectively* making authoritative decisions about how to allocate scarce resources among competing interests and, by definition, ensuring that these decisions are legitimate because they have been reached through participation and consultation rather than through coercion.”

Few state systems are perfect, but many experts agree that one should not disassemble them thoughtlessly. Some of this caution stems from “the devil you know versus the devil you don’t know” logic, but there are other reasons. In a recent book on higher education governance Terrance MacTaggart stated, “By itself, governance restructuring doesn’t improve anything. Reorganization is not an end in itself; rather, it must be a means to an end. A failure to recognize that will lead only to disruptive changes with little lasting gain.”

The *structure* of governance may be the most obvious variable, but it is comparatively superficial. Most states have experienced situations in which a statewide agency such as the HECB, or CHE or CPE, was regarded sequentially over time as effective, then ineffective, and then effective again, while the structure remained unchanged. The changes were in the environment, in the expectations, in the relationships, and sometimes in the people involved. During the past 15 years, this state has had the same statewide board with the same structure, authority, and responsibilities, and the same functional arrangement. Yet, over time, this board has been regarded as effective, ineffective, a player, a non-player, antagonistic, supportive, relevant, and irrelevant, depending on the emphases, objectives, and commitment of the board members, the talents and priorities of the CEO and staff, the ebb and flow of funding for higher education, the contentment or discontent of political decision-makers, and the support or nonsupport of the business community, among others.

These same patterns were observed concerning the HECB’s precursor in the previous 15 years. In each case, nothing structural was materially changed, and the assigned functions remained essentially the same throughout. In fact, in neither case did the structure of higher education governance in Washington change—speaking in this case of both of the statewide agency and the institutional and system governance forms.

Key Question: How Well Is it Working?

Structure is important, as are the various responsibilities or functions of governance. A preoccupation with them, however, may divert attention from important dynamics—the rapport among the players, their interactions with their environments, and the relationship between them and the priorities of the state. Moreover, assuming that dedicated people at all levels of government strive to do what they are expected to do, decisions about form and function raise questions about relationships and fit. Since there is no ideal structure to which all states can aspire, and since the functions of agencies such as the coordinating board are fairly common, understood, and shared, an assessment focused on these alone will reveal little: either the arrangement is working or not; either some functions are being fulfilled or not. The principal queries should not be about structure or authority, *but about how well it is working*. And this is why the Collaborative and Adaptive dimensions are so important.

The meaningful issues, then, are whether the structure and functions of governance are meeting needs and expectations, managing conflict, and keeping up with changing events.

The answers will be found in the extent to which the relationships are helping or impeding the delivery of services, the presence or absence of mutual trust and regard, the impressions of how well things are working, particularly among those who are vested in higher education, and whether the higher education system is responding to the expectations emanating from its social, political, and economic environments. These are questions about relationships and change. Any useful examination of the coordinating board must pay attention to them.

STRUCTURES AND FUNCTIONS

A Brief Glance Backward: Council on Higher Education

The HECB can trace its heritage to 1969 when the Legislature established the Council on Higher Education (CHE). That enabling legislation was in response to recommendations of the Temporary Advisory Committee on Public Higher Education (TACPHE), a blue ribbon committee composed of the governor, legislators, educators, and members of the general public. TACPHE was formed in 1965 and remained active until 1969. The recommendation to establish a higher education coordinating board was one of several significant products of TACPHE's work. Others called for the creation of a statewide community college system, the establishment of The Evergreen State College, and the formation of a statewide student financial aid program.

The coordinating board solution represented a compromise between the alternatives considered by TACPHE as it attended to the governance issue. The range of options before it were a single higher education governing board for all public colleges and universities, on the one hand, and continuation of the then present arrangement of decentralized and voluntary institutional relationships, on the other. A statewide coordinating board, somewhere in the middle, was the compromise. The compromise is perhaps most quaintly illustrated by the arguments over what to call the agency director. "Executive Director," "President," and "Chancellor," among others, were discussed and rejected in favor of the statutory title of "Executive Coordinator." The deputies were designated "Deputy Coordinators." (Notably, "coordinator" is not a title that ranks very high in the academic nomenclature.)

A second series of compromises revolved around the authority of the new coordinating board, whether it should have advisory weight or regulatory power. The difference between the two was signified by the difference between *recommending influence* and *approval authority*. The Legislature chose the former. The new CHE was charged to perform a number of tasks, but for all intents and purposes that board was to be a recommending board.

This situation remained for the 17 years of its existence. The CHE had only the power to review and recommend. It could examine proposals for new degree programs, and it did so, but it could only recommend for or against their establishment. It could engage in comprehensive higher education planning, but it could only recommend policies. It could review institutional budget requests, but it could only recommend levels and programs on the basis of their alignment with the statewide plan.

The early days of the CHE proved especially interesting in terms of the interpretation of this role. During this period, the new agency took its cues from the legislature. While many legislators had not been comfortable with the idea of a central or statewide governing board, they also wanted the institutions to understand who was in charge (i.e., the legislature). The distinction between review and approve, as far as the CHE was concerned, turned out to be insignificant. When disagreements occurred, the legislative consensus tended to favor the CHE. With such consistently strong legislative support, the council's

recommendations were tantamount to approval. If the CHE recommended against a program proposal, for example, the program would be withdrawn or otherwise dropped. There were no exceptions.

In 1975, the CHE delivered the state's first comprehensive six-year plan. During this period, the organization was evaluated several times by outside experts brought in by the board members. The CHE was widely regarded as one of the strongest statewide boards in the country. In contrast to this perception of strength, the CHE's statutory authority was among the weakest. So much for the importance of structure.

These years constituted a distinct phase, but times, events, and conditions were changing. In 1972, Congress enacted the *Higher Education Amendments of 1972*. Section XII of those amendments required states to establish or designate single state postsecondary education planning agencies in order to qualify for federal planning and other funds. Congress obliged these agencies to represent a wide spectrum of postsecondary interests. This requirement led to changes in the CHE's membership structure during the 1975 legislative session.

1975 Change: The Council for Postsecondary Education

Previously, the CHE was composed of nine citizen members appointed by the governor with the advice and consent of the Senate; these were the voting members: the six public four-year institution presidents, a private college president, a representative of the governor's office, the head of OFM (then OPPFM), four legislators (two from each chamber), the director of the SBCTC (then SBCCE), and the OSPI served as *ex officio* members of the board with advisory authority—according to statute, they would have “voice but no voting power” (RCW 28B.80.050).

The 1975 revisions replaced the six public institution presidents with the chair of the Council of Presidents, to represent these institutions, added the director of the then Commission on Vocational Education, and placed a representative of postsecondary proprietary education on the board. The four legislators were removed. The other advisory members—OSPI, the SBCCE director, etc.—remained on the board. In addition, one of the nine public members would have to be a full-time undergraduate student.

The legislature changed the CHE's name to Council for *Postsecondary* Education (CPE), designated it as the state agency for federal higher education planning purposes, and authorized all members—now numbering 16—to have voting authority on matters involving federal postsecondary planning functions. With time this authority would become increasingly broadly interpreted.

Other changes also were occurring. The CPE's administrative responsibilities with respect to such matters as student financial aid program management—both the number of programs and the funds involved—increased progressively. Baccalaureate institution registration (licensing) and institution approval and monitoring for the Veteran's Administration were among the new administrative tasks, in addition to others. Some programs provided funds for staff to perform the required tasks, but others did not. In any case, internal program management cut more and more into the time of supervisory staff, and rule making and administrative oversight cut more and more into the time of board

members and into the time available for policy discussions at board meetings. The board's capacity to consider and debate higher education policy matters was affected directly, and members began to realize such capacity was a commodity in decreasing supply.

Implementation of the CPE's own planning and policy decisions also had spiraling effects on its capacity. In creating institutional service areas, for example, the organization then had to define, implement, enforce, and evaluate them. Roles and missions also needed to be defined, assigned, and monitored. This required staff time, as well as contributions from stakeholders, usually as participants in advisory committees. As a result, more and more staff effort was redirected from policy analysis to oversight, monitoring, and committee staffing.

Probably less noticed but certainly of some effect was the expansion of legislative staffing capacity during these years. This expansion was a national phenomenon, as legislatures throughout the country increased their policy research capability. Simply put, while the legislature continued to look to the CPE for data and policy recommendations in the postsecondary realm, it was developing its own policy research capacity.

Coordinating boards are not blessed with natural constituencies. They do not have graduates and alumni associations, and they may not routinely look to the parents of students for backing (indeed, these constituencies more often than not align with the institutions when there are disputes). These boards are expected to represent the public interest over that of the institutions—a specific charge in the HECB's enabling statute—but the public interest can be difficult to define and aggregate, and sometimes hard to come by. If coordinating boards ally too closely with the institutions they are expected to coordinate, they are likely to undermine the trust of the legislature. If they go too far to the other extreme, they annoy not only people in the colleges and universities and members of their governing boards, but also segments of the public whose interests they are expected to represent. It is easy to understand why coordinating boards try to stay on the good side of the executive and legislative branches, and it is easy to understand how they can get into trouble when they fail to do so.

Establishment of the HECB

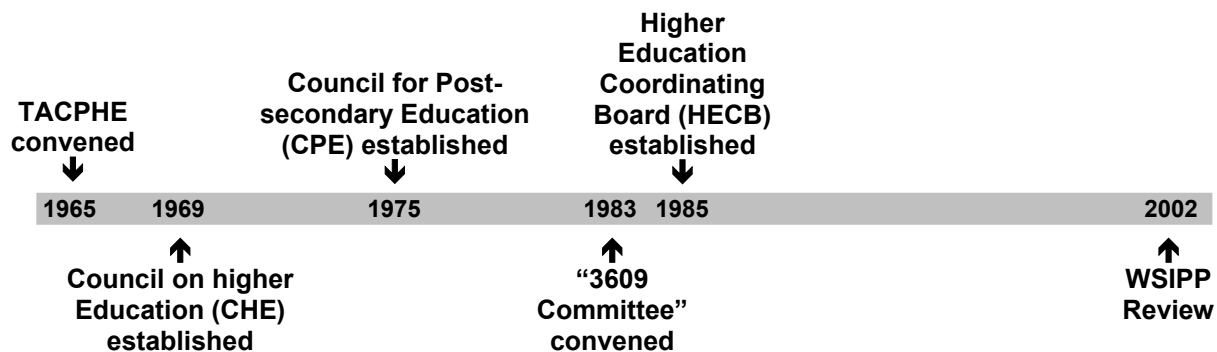
As the CPE approached the end of its second phase—the postsecondary education phase—it was increasingly clear that it was falling on hard times. The recession of the early 1980s and the difficult fiscal climate contributed to uncertainty. By 1983, the legislature, its Joint Legislative Committee on Higher Education Governance, and its second blue ribbon committee on education—the Temporary Committee on Education Policies, Structure, and Management (the “3609 Committee”)—were again looking at higher education governance.

For its part, the 3609 Committee, directed by its statute to consider higher education governance, retained outside consultants Dr. Lyman Glenny and Frank M. Bowen. In their report to the Committee, *Toward A New Beginning: Balancing Local Control With State Coordination and Governance* (August 31, 1984) they offered this impression:

The responsibilities of [state higher education agencies] vary from state to state, but their purpose is to coordinate the activities of the colleges and universities so that instruction, public service, and research give priority to state interests, while leaving as much freedom as possible to institutions to develop in ways that will keep them lively and enterprising. States often recognize the need for coordination, but find legislatures unwilling to delegate powers to the state higher education agency to achieve greater cohesiveness of the system as well as more efficiency and accountability. Washington is such a state.

Glenny and Bowen stated that Washington’s system of higher education was out of balance. The political decision-makers and their agencies were exercising detailed controls over campuses without an explicit framework for their decisions. Colleges and universities were setting their own courses independently with minimum guidance from the state. Most of all, the state coordinating board, the CPE, was experiencing a loss of credibility. As a result of that, *de facto* authority and responsibility had moved away from the middle ground typically represented by the agency. They concluded that while the state should retain its present governance system of separate boards for each institution, it should reconstitute the coordinating board. They recommended that the board have approval rather than recommending authority, and they called specifically for the assignment of express authority for the new board to approve programs, off-campus centers, and new physical facilities. Such changes were expected both to clarify the legislature’s expectations of the new board and to give it authority to fulfill these. They also recommended that the chief executive officer carry the title of “Executive Director.”

Exhibit 5
Critical Dates of Washington State Higher Education Governance



Following the work of the joint legislative committee and the 3609 Committee, a convergence of opinion on higher education governance culminated in the 1985 legislative session. Bills initiated in each house were passed, and the CPE was thoroughly reconstituted. The major change was that it no longer would be an “advisory” or “recommending” board. The new HECB was given approval authority in almost every important particular. It was rendered into a very strong coordinating board with virtual

regulatory authority. Indeed, as its authority is described on paper, it placed among the strongest statewide agencies in the country, whether these are coordinating or governing boards.

A New Board in 1985: The HECB

The statutory predicate for the HECB is similar to the CHE's. "The purpose of the board is to provide planning, coordination, monitoring, and policy analysis for higher education in the state of Washington in cooperation and consultation with the institutions' autonomous governing boards and with all other segments of postsecondary education, including but not limited to the [state board for community and technical college education . . .]. The legislature intends that the board represent the broad public interest above the interests of the individual colleges and universities."⁶ (See Appendix B for a full list.)

Several aspects of this purpose statement are noteworthy. The first is the assignment: to "provide planning, coordination, monitoring, and policy analysis for higher education . . ." The second is that this be done "in cooperation and consultation" with the other higher education boards and segments, thus offering a clue to the definition of coordination. The words "*autonomous* governing boards" appear in this version as they did in the initial CHE version. The third is the statement of intent that the board represent the broad public interest above the interests of the institutions. This component of the statute denotes a clear legislative expectation that the HECB be an instrument of government rather than a representative of higher education.

Expectations concerning the specific duties, and to some extent the approach, of the HECB also are found in comparatively explicit detail in Washington statutes. The board has been assigned central functions with respect to planning. It is required to establish (in order of appearance in RCW 28B.80.330) role and mission statements for the public four-year institutions and the community and technical college system. It is obliged to identify the state's higher education goals, objectives, and priorities. It must prepare a comprehensive master plan that addresses state needs (in specified categories); demographic, social, and economic trends; and attendance, retention, and dropout rates. In considering the needs of state residents for higher education services, it must apply its initial priorities to heavily populated areas underserved by public institutions. The plan also must contain recommendations on enrollment policies to meet the identified needs and guidelines for continuing education, adult education, public service, and other higher education programs. The plan should also specify mechanisms through which the system can meet the hiring needs of specific employers.

The statutes called for submission of the initial master plan by December 1987 and for updates every four years. In an interesting statement that may be unique to Washington, the statutes require the legislature to hold hearings on the plan and, unless legislation is enacted to the contrary, to adopt it as state higher education policy by concurrent resolution. This linkage between planning and policy carries extraordinary potential.

⁶ 1985 version of RCW 28B.80.320

Other mandated HECB responsibilities include reviewing, evaluating, and making recommendations on operating and capital budget requests, including supplemental budget requests, from the public institutions and the community colleges with respect to their congruence with the master plan and with guidelines on board fiscal policies. The HECB must recommend legislation affecting higher education. It also must recommend tuition and fee levels and policies based on peer institution comparisons and establish financial aid policies, also based on peer institution comparisons. The HECB is to prepare recommendations on merging or closing institutions and develop criteria identifying the need for new baccalaureate institutions. It has new degree program approval authority with respect to the public four-year institutions, and it has review and recommending authority with respect to existing on-campus and off-campus programs. The HECB is required to approve and develop guidelines for higher education consortia and centers and approve the purchase or lease of off-campus facilities for all types of public institutions. It is to establish service areas and approve contracts for off-campus programs.

The HECB's enabling statute also provides direct reference to coordination, perhaps reflective of a legislative effort and concern that also may be unique to Washington. The section on coordination (RCW 28B.80.350) was included in the 1985 statute reconstituting the board (i.e., replacing the CPE with the HECB). It suggests an attempt on the part of the legislature to correct what might have been an omission in the original 1969 enabling act, which, although establishing a coordinating board, aside from an indirect reference in the purpose clause, did not mention coordination. The key statement is the following:

The board shall coordinate educational activities among all segments of higher education taking into account the educational programs, facilities, and other resources of both public and independent two and four-year colleges and universities. The four-year institutions and the state board for community and technical colleges shall coordinate information and activities with the board.

This statement also is followed with a list of particulars: promote inter-institutional cooperation, establish minimum admission standards for the four-year institutions, establish transfer policies, adopt rules implementing statutory residency requirements, administer reciprocity agreements with bordering states and British Columbia, review and recommend compensation policies for administrators and faculty using peer institution data, monitor higher education activities for compliance with state policy, arbitrate disputes among institutions (in which cases the decision of the board is binding), establish a state data system, make recommendations to increase minority participation, etc.

Institutional responsibilities in this context are defined in a section added to the board's statute (RCW 28B.80.610) in 1993. In this case, the institutions are obligated to develop strategic plans under the board's guidelines (in the case of the four-year institutions), provide information in a timely manner, provide student financial aid programs in concert with state policy, and operate as efficiently as feasible within their missions and goals. The HECB is responsible for delineating and coordinating the institutional plans, preparing reports to the governor, legislature, and public, administering state student financial aid programs, and assisting institutions in improving operational efficiency. This section also states that the SBCTC shall be the coordinator of institutional plans for the system and the entity responsible for providing information about the system to the HECB.

Last, the board has a number of administrative functions and duties, most of which pertain to student financial assistance programs and various federal programs. The HECB is statutorily expected to perform its policy and planning duties in consultation with independent higher education institutions, “when appropriate” (RCW 28B.80.330). Its principal relationships with these institutions, however, have centered on its responsibilities to administer the student financial assistance programs. These administrative duties are generally outside the scope of this report; hence, for the most part, the discussion is confined to relationships between the HECB and those systems and institutions resident in the public sector.

The 15 years following 1987—when the HECB was established—display remarkable parallels with the first 15 years of its predecessor. In each case, the initial period is characterized by vigor and activity, followed by the acquisition of additional administrative responsibilities and program oversight, then followed by enervation in the policy role. Meanwhile, detractors increase and a constituency becomes ever more difficult to retain. It is a cliché, but the period between 1987 and 2002 seems like *déjà vu* all over again.

A thesis of this report is that times and situations change, but statutory assignments of authority, almost by definition, change more slowly. While the structure and functions of the HECB have their parallels in other states, a subject examined in the following section and more fully in Appendix D, reliance on structure and function alone cannot guarantee persistent effectiveness.

Functions and Purposes of State Higher Education Boards

Much has been written of the functions typically assumed by statewide higher education boards. Lyman Glenny has argued that effective state-level planning and coordination in higher education involves representation of the public interest. Thus, the degree to which a coordinating board injects the public interest into statewide planning, or in its interactions with institutions, is an important evaluation consideration.

Aims McGuinness also has described factors that distinguish effective agencies, including the avoidance of political involvement and geopolitical problems, along with continuity in planning and decision-making, sustained attention to system issues, clarification of system and institutional roles, and responsiveness to public policy issues as some of the benefits of effective statewide agencies.

Regarding other political functions, Dick Richardson, Kathy Bracco, Pat Callan and Joni Finney’s book reports that all states emphasize access, equity, quality, efficiency, and reasonable choice. States expect higher education to contribute to state economic development goals and that it remain affordable. They insist on reasonable productivity and that institutions give priority to state residents. They want undergraduate opportunities that meet students’ needs and encourage them to complete and graduate within a reasonable period. These are common interests and at least implicit state goals across the country.

Glenny observed that power and control over the institutions of higher education varies widely throughout the country, and it is difficult to impose a single set of expectations. The patterns range from extensive administrative, program, and budget controls, in the states with the strongest statewide agencies, to providing occasional advice on policy matters in others.

For the board to stay relevant, the changing environment in which higher education operates must be considered. In view of the rapidly changing environment for higher education in Washington, this is a particularly important concern.

In Glenny's view, even those state boards with generous statutory authority do not always apply this muscle to all their institutions all the time. Rather, the exercise of authority is dependent on the objectives of the executive officer and the board. Until recently, structurally and functionally weaker statewide boards were not considered very effective. Lately, with the massive changes occurring in American society, industry, and the economy, some stronger boards, those with clear authority over the institutions, have begun to decentralize and give more control back to the colleges and universities to allow them to adapt to the new environment. The apparently weaker boards, which by circumstance have already allowed such freedom, find little need to change their powers or the degree of their application.

Some of the more important powers involving control of institutions and subsystems are described here. But it needs to be emphasized that many boards are starting to question the effectiveness of regulatory efforts and how their emphasis on micro-management diverts attention from macro issues. Glenny's comments are still instructive. In his view, statewide board functions often include authority to:

- *Approve new programs of instruction and to disapprove existing programs on its own initiative.* This power developed in the 1960s and 70s but is being modified as states recognize the need for institutions to be positively responsive to changes in their local economies, particularly as new technologies and industries impose high demands for trained, skilled manpower and rely on the local higher education institutions for this purpose. The most successful have the freedom to make non-traditional adjustments in programs, in places chosen to offer training, and in the instructional staff employed. Students may enter on their own initiative and come and go as they complete one or two courses directly applicable to their work or expected employment. Formalized degree programs may not be seen as the only way for an institution to offer instruction or for students to ready themselves for employment.
- *Review budgets of institutions and systems, make whatever adjustments are thought necessary, and submit them to the governor and legislature.* This is almost always accomplished in conference with the pertinent institution or system representatives.

- *Review submissions for new capital construction and for redoing existing structures.* This also typically is done with the participation of institutional professionals.
- *Establish, maintain, and modify a data system that can be used to carry out any of the above powers.* Such systems are usually established in conjunction with technical and policy representatives of the institutions and systems. Without such involvement and cooperation, information requests from the board may be resisted, and smaller institutions may not have the staff to reply. Good cooperation is essential.

A summary list of central governance functions is presented in Appendix C. Glenny's emphasis on cooperation is noteworthy. Reliance on top-down directives and micro-management is fading, and the stress on collaboration is growing. The environment for higher education has changed dramatically since the 1960s and 70s, when many statewide boards were established. This has important implications on the actions of these boards: the new emphasis is on delegation and cooperation.

Higher Education Governance Systems in Other States

Statewide higher education entities are a comparatively recent historical phenomenon. In a 1985 State Higher Education Executive Officers (SHEEO) paper, *State Coordination of Higher Education: The Modern Concept*, Lyman Glenny identified two broad forms of statewide agencies:

- A single statewide governing board for all public colleges and universities (eliminating all of the individual institutional boards) . . .
- A coordinating board juxtaposed between the governor/legislature and the institutional governing boards that embraces all of higher education, public and private.

Over the succeeding years, documents on this topic typically divide the country into three main types of statewide agencies: *consolidated governing boards*, *coordinating boards*, and *state higher education planning agencies* (distinguished by the general absence of any clear formal governing or coordinating authority). Two states, Delaware and Michigan, fit rather clearly into the last category, although a few other states come close. The remaining 48 are either "governing board" or "coordinating board" states.

Statewide governing boards have governing responsibility for the public institutions in their states' systems. That is, they have all the rights and responsibilities of a corporate board as conveyed by law. Some are constitutionally grounded (as are some coordinating boards): they have authority to hire, compensate, and fire chief executives of the institutions that comprise the system; prepare a budget and allocate resources; establish faculty and other personnel policies; manage assets; award degrees; and so on. Some also serve as the *de facto* state higher education planning agency, although few centralized governing boards perform this well.

Coordinating boards typically do not manage institutions. They do not have corporate status in the governing board sense. They hire, compensate, and can fire their own chief executive and staff but not those of the institutions. They are supposed to focus on state needs and priorities rather than those of the institutions. The extent to which they have budget review, program approval, or other authority determines whether they are “regulatory” or “recommending” boards.

Within these broad groupings, virtually every state’s configuration is distinctive. According to Aims McGuiness’ descriptions, all of the two main forms (again, only two are planning agency states) can be organized into subtypes. In the interest of simplicity, governing board states, of which there are 23, generally operate under one or two state-level governing boards. Ten of the governing board states have a single governing board for all of higher education; 13 have two or more boards, usually one of which is responsible for coordinating or governing the community and technical colleges. About 30 states have coordinating boards, although not all are “Coordinating Board States,” *per se*, since some also have statewide governing boards. For the purposes of this discussion, 25 are classified as coordinating board states, which can be divided into those states wherein the board has program approval and an authoritative budget role or those states with recommending authority. More detail on the states and these categories appears in Appendix C.

Recent Reorganizations

Some states have recently reorganized or restructured their statewide higher education agencies. A brief look at such reorganizations in Oregon, New Jersey, Florida, Minnesota, and West Virginia is revealing.

Oregon. In the late 1980s, the Oregon Educational Coordinating Commission (OECC) was disbanded and replaced with the Office of Educational Policy and Planning as a unit within the Office of the Governor. The executive officer was appointed by the governor and served at the governor’s pleasure. The office was given statutory authority to review all new and existing programs and their delivery sites for consistency with statewide policy. It also was given responsibility to review the budgets of the educational components and make recommendations to the governor. The OECC was assigned statewide strategic planning responsibility, with which the Board of Education and the Board of Higher Education were directed to cooperate. It also was required to maintain a central database, and each higher education governing board was required to submit a long-range plan for review and coordination.

This experiment with gubernatorial higher education planning and coordination was short-lived, lasting about two years. Although the office had a strong initial presence, it did not sustain a role as a significant player in Oregon higher education; observers note it soon “passed without a whisper.”

New Jersey. In conversations about higher education decentralization, New Jersey is the state most frequently mentioned. In 1994, New Jersey moved decentralization from

discussion to reality. Before this change, the coordinating board in New Jersey—Board of Higher Education/Department of Higher Education (BHE/DHE)—was classified as a strong regulatory board with authority over institution salary and personnel policies. Shortly after her election in November 1994, Governor Whitman proposed restructuring the state's higher education system. The Governor's proposal featured decentralizing governance from the state to the individual institution boards, eliminating the coordinating board and maintaining the state's commitment to higher education access, affordability, and accountability via a system of planning and coordination exercised through a presidents' council. (Interestingly, this was Washington's approach in the mid-1960s prior to creation of the CHE.)

A presidents' council composed of the president of each state-supported institution was established as an advisory board, but it did not become the statewide planning agency. Rather, the legislature created the Commission on Higher Education and assigned to it statewide higher education planning responsibilities, final authority on new programs that are outside institutional missions, budget review authority (including a consolidated budget proposal), and responsibility for working with the Board of Education to ensure articulation and collaboration between the two sectors. The Commission also is to be an advocate for higher education. The original emphasis on decentralization and increased board authority was retained.

Florida. A 1998 constitutional amendment that was intended to become effective in January 2003 eliminated the State Board of Education (SBE), which was over the Board of Regents and had been the chief education governing body in Florida for 150 years. Had the change prevailed, the Florida Board of Education, composed of seven members appointed by the governor, would have replaced the SBE. The goals were the decentralization of university governance to allow universities more flexibility to adapt to local needs and the changing marketplace and the development of a seamless education system that encompassed all sectors. Each of the 11 state universities was given its own governing board. Among other changes, Florida established a P-20 system. The Articulation Coordinating Committee was given responsibility for student transfer and articulation matters between schools, colleges, and universities.

In November 2002, voters approved a constitutional amendment that undid many of these changes and established a new state-level governing board for the public universities. Institutions will retain their own boards, but these will have only the powers the new Board of Governors delegates to them. Community colleges, which have their own boards of trustees, would not be affected by the change. The relationship of all of this to the P-20 system and the Articulation Coordinating Committee is not clear. The state Board of Education will continue, but it will have no authority over the universities. The new Board of Governors, constitutionally vested, is expected to be more powerful than the old Board of Regents, which did not have constitutional authority.

Minnesota. The Minnesota Higher Education Coordinating Board was abolished by the legislature in 1995 after 30 years of operation. This organization had become encumbered with administrative and program management responsibilities and was no longer a key player in the higher education policy arena. It was replaced with two multi-campus governing boards: the legislatively-appointed 12-member Board of Regents for the University of Minnesota, which has constitutional authority for the state's four public

universities, and the 15-member governor-appointed Board of Trustees of the Minnesota State Colleges and Universities. The latter governs the state universities, community colleges, and the former governs technical colleges. Each board has planning and coordination responsibility, institutional budget review, and program approval for the institutions in their sectors. Many of the former coordinating board's administrative responsibilities were transferred to a new Minnesota Higher Education Services Office.

West Virginia. In 2000, the legislature eliminated the Board of Trustees of the University System of West Virginia and the Board of Directors of the State College System and replaced them with the West Virginia Higher Education Policy Commission, a coordinating agency composed of nine members (seven appointed by the governor and two ex-officio members appointed by the Secretary of Education and the State Superintendent of Schools). The Commission is responsible for developing, gaining consensus around, and overseeing the implementation of a public policy agenda for postsecondary education. It also administers student financial programs, governs the vocational-technical institutes, and has licensing and approval authority for private degree-granting institutions and proprietary schools. Compacts with the institutions that define performance measures on several negotiated dimensions are an aspect of the appropriations process.

A consistent theme among these changes is difficult to discern. A theme of decentralization is a possibility. References to deregulation, flexibility, and adaptation were frequent, but frustration also was in evidence at the time of most changes. Sometimes the frustration was directed at the statewide agency head, sometimes at the statewide higher education organization itself. Sometimes it reflected a disgruntlement over the agency's expansion, an impression perhaps formed as these organizations assumed more and more program administration functions and acquired staff to manage them. At the time of the Minnesota change, for example, out of an agency staff of some 70 FTEs, only 1.5 were dedicated to the policy and planning component of the agency's role.

These changes in state higher education agencies were unlike the reorganizations that transpired a few years earlier. While in most cases some replacement state-level planning and policy organization was created and arrangements made for the continuation of program administration, the changes were not limited to choices between a conventional statewide coordinating or governing board, or a regulatory or recommending coordinating board. Rather, they were distinctive to each state.

Governance Forms and State Performance: Is There a Connection?

Before leaving the discussion of structure and function, it is useful to consider the question whether there is a correlation between how states organize themselves and how they rank on national grading systems. Four states—Illinois, Michigan, New York, and Ohio—are examined, along with Washington, as examples of states that have employed different approaches to statewide governance. Michigan has no central agency; New York has a central governing board (although it also has a coordinating capacity in the Department of Education); Illinois has a strong coordinating board; and Ohio has a state Board of Regents which functions as a comparatively affable coordinating board that must operate in a milieu

of single- and multi-campus governing boards. (State’s individual features are described in Appendix D.)

To examine the relationship between governance forms and state performance, these four states and Washington were examined in the context of scores in two national state-by-state indices. The National Center for Public Policy and Higher Education’s (NCPPE) report, *Measuring Up 2002: The State-by-State Report Card for Higher Education*, examines the higher educational efforts of all the states in a comparative contemporary framework, employing the same data for each. This report awards alpha grades to states for their performance *vis-à-vis* their citizens with respect to *Preparation* for college, *Participation*, *Affordability*, *Completion*, and *Benefits*. Although the NCPPE does not combine grades into an average, and encourages others not to do so as well, in the interest of brevity a “Report Card grade point average” has been calculated for each of the five states on the following table.

A second report, *The States New Economy Index* (Robert D. Atkinson, Randolph H. Court, and Joseph M. Ward), scores states according to 21 economic variables, including workforce education, education level of the workforce, education level of the manufacturing workforce, percentage of population with online access, technology in schools, scientists and engineers as a percentage of the workforce, and number of patents per capita.

Exhibit 6 shows how the five states compared:

Exhibit 6
Measures of State Performance

| | New Economy Index Score | NEI Rank | Report Card GPA |
|-------------------|--------------------------------|-----------------|------------------------|
| Illinois | 64.6 | 17 | 3.1 |
| Michigan | 59.9 | 23 | 2.5 |
| New York | 69.2 | 10 | 2.3 |
| Ohio | 56.4 | 30 | 1.8 |
| Washington | 86.2 | 2 | 2.6 |

Washington does relatively well in this comparison. Its New Economy Index score, highest of the five comparison states, ranks it second in the nation, below Massachusetts and above California. Its Report Card GPA could be higher—it gets a “C-” in Participation and in Affordability, an “A-” on Completion, and a “B” on Benefits—but among these five states, it ranks second only to Illinois.

It is a stretch to argue that the structure and functions of any state’s form of governance are responsible for a state’s NEI Score or Report Card grade point average. Yet, the states with the highest NEI scores in the country, Massachusetts, Washington, and California, respectively, are all coordinating board states. Of the top ten states on the NEI 2002 ranking, nine are coordinating board states. This could be a spurious correlation. It also may be a reflection of the fact that coordinating boards tend to stress elements that

contribute to a state's placement on the scale, considerations such as workforce training, access to higher education, participation, more than statewide governing boards, which tend to be more inwardly focused on institutional management matters.

The more obvious conclusion is that there is no "right" way to organize governance systems. Each state will devise and be responsible for its own arrangement, and none of these will have much external validity. When they fail to work as expected or other considerations apply, states either will make them work or alter their systems to fit the new needs. When this happens, the key is not likely to be either the structural or functional configurations, but the relationships each state has with its colleges and universities and the approach each takes to develop and sustain them.

MARKET MODELS

The Changing Environment for Higher Education

The environment for higher education is changing. The HECB Year 2000 Master Plan refers to economic changes throughout the country, to the fact that Washington mirrors national patterns, and to the new information economy. Further references apply to higher education's competitive environment, to workforce training, and to quality of life for people who live and work in the state. Differences in the higher education opportunities of residents of urban and rural areas remain a problem, as is access for many who lack the necessary financial resources. A close connection between education and economic growth is clear.

These changes bear important implications for virtually every aspect of higher education, from improved access for residents to who is doing what for whom, where, and how. They also carry implications for how systems are governed or regulated, not so much in terms of organizational form as organizational style.

Amid these changes, governance systems are shifting from regulation towards a new reliance on collaboration and market forces. Some states are shifting their focus from traditional providers and clients—public colleges and universities, recently graduated high school students, and on-campus students—to a broader set of customers and providers who represent a wider conception about where and when education occurs.

The Education Commission of the States (ECS) summarizes these shifts in assumptions about a state's role in postsecondary education as follows:

Exhibit 7
Shifts in the Assumptions
About a State Role in Postsecondary Education

| A SHIFT FROM: | TO: |
|--|--|
| Rational planning for static institutional models | Strategic planning for dynamic market models |
| Focus on providers, primarily public institutions | Focus on clients, students/employers, and government |
| Service areas defined by geographic boundaries and monopolistic markets | Service areas defined by the needs of clients served by multiple providers |
| Tendency toward centralized control and regulation through tightly defined institutional missions, financial accountability, and retrospective reporting | More decentralized management using policy tools to stimulate desired response (e.g., incentives, performance funding, consumer information) |
| Policies and regulations to limit competition and unnecessary duplication | Policies to "enter the market on behalf of the public" and to channel competitive forces toward public purposes |
| Quality defined primarily in terms of resources (inputs such as faculty credentials or library resources) as established within postsecondary education | Quality defined in terms of outcomes and performance as defined by multiple clients (students/learners, employers, government) |
| Policies and services developed and carried out primarily through public agencies and public institutions | Increased use of nongovernmental organizations and mixed public/private providers to meet public/client needs |

Source: Aims McGuinness and ECS

The ECS paper notes that “During the recession of the late 1980s and early 1990s, some states reverted to the more regulatory approaches reminiscent of the recession in the 1970s, but as the economy recovered, the basic trends begun in the 1980s reemerged [in the 1990s].”

“New Economy” observers describe differences between the old and the new economy in terms of changing markets, competition, and organization. The differences are dramatic. How these changes affect higher education is described by Arthur E. Levine in an article in *The Chronicle of Higher Education*. In his view:

- *“Higher education providers will become even more numerous and diverse.”* The most successful institutions will be those that can respond quickest and offer a high-quality education to an international student body.
- *“Three basic types of colleges and universities are emerging.”* These are traditional residential institutions (“brick colleges”), new and usually commercial virtual universities (“click universities”), and combinations of these two (“brick and click universities”). Who will control and where these trends will lead is problematic.
- *“Higher education is becoming more individualized; students not institutions, will set the educational agenda.”* The question for colleges and universities will be how to retain and provide services for students with diverse backgrounds and individualized education goals.
- *“The focus of higher education is shifting from teaching to learning. The ‘seat time’ process ultimately will give way to outcomes, or results.”*

Finally, “dollars will follow the students more than the educators.” Levine surmises that “It’s quite possible that the federal and state [budget dollars] that support institutions of higher education will be transferred directly to students.” (Colorado lawmakers and its public institutions are presently discussing a higher education voucher program.)

In his paper entitled, *Prospective Governance*, Darryl Greer states that the changes in society’s financial and educational environments and the subsequent stresses on higher education are so great that traditional forms of governance will no longer prove adequate to meet the challenges (hence, “prospective governance”). The trends he describes are familiar. Scarcity of funds is the most common point of stress. In his view, higher education must expect less—not more—financial support from the state. He envisions a leaner, more market-driven, consumer-oriented, and commercialized higher education enterprise. As states disinvest, and do so with public support, he predicts that consumers will demand more from higher education, principally because of higher education’s importance to economic opportunity, particularly for their children. The system will then be forced to become more productive or risk losing public confidence. He further predicts that the application of technology and the presence of profit-motivated competitors will force public higher education to become increasingly more commercial in both its instructional methods and delivery systems, changing faculty roles and shared governance on the inside and increasing tension between institutions and government regulators on the outside.

These trends have the potential to transform higher education; existing governance structures alone may not be sufficient in the developing environment. Greer notes that the existing governance structures were established to regulate and distribute resources during a time of growth, but they do not function well in a setting of retrenchment and “growth by substitution.” They also were created to protect traditional institutional values and authority and have evolved to maintain the status quo.

One need not completely agree with all these views to appreciate that important things are happening, and that they invoke different views of relationships and roles than existed only a few years ago. A new policy emphasis is called for, one that reflects a change in the relative importance of regulatory and incentive strategies to attain objectives, and greater institutional flexibility to respond rapidly to changing needs and demands. If colleges and universities are to adjust to new and more customer responsive ways of doing business, they must be allowed to do so. Either the regulatory constraints will have to be appropriate and compatible, or other approaches to governance and accountability will be required.

Seeds of a New Compact

The interviews regarding the HECB, conducted by the Institute, revealed that many stakeholders in Washington view the state as struggling to impose and maintain a regulatory relationship with its colleges and universities. This is not a new perception. A 1994 report on Washington prepared for ECS was based on interviews with the same groups of people as the present study; the report argued that prevailing approaches to centralization and regulation were changing steadily and had been doing so for some time. This observation continues to apply today. The study found that the policy environment then was strongly influenced by widespread awareness of limited resources and higher education’s diminishing share of the budget. These contributed to a growing reliance on tuition, grants, and other non-tax sources for higher education funding. There were quests for local tuition-setting authority by the institutions and legislative calls for evidence of faculty productivity and cost containment measures. The results were mixed messages for increased institutional autonomy as well as calls for greater external control.

Many expressed the view that higher education was and is granted a relatively high priority among public services, although respondents also recognized differences in how the state’s institutions and sectors are viewed. The University of Washington, Washington State University, and the community college system were believed to have more public and political support than the other sectors. Most also believe higher education is afforded more operational latitude than state agencies. The different status of higher education seemed rooted more in tradition than in the legal system, since there is virtually no definition of institutional autonomy to be found in statute or the Constitution.

Individuals in the colleges and universities most frequently cited spending constraints and reporting requirements when asked to identify the major external constraints that hinder institutional operations. Many who worked at the state level were more likely to cite internal (institutionally based) than external requirements as inhibiting responsiveness. Frequent references by this group were also made to the dampening effects of academic tenure on institutional operations; many were associated with state government.

People agreed that fiscal more than educational considerations influenced higher education policy development in the state, but they also insisted that this emphasis was not to the exclusion of educational considerations. Opinions varied on whether higher education policies were developed incrementally or comprehensively. Some expressed the view that collaborative planning had increased since the coordinating board was reconstituted in 1985. There appeared to be more acceptance of centralized planning than was the case during the 1970s. All these themes were echoed in the 2002 interviews.

Reactions in 1994 to the notion of a *New Compact* with higher education, in which the state would avoid micro-management in exchange for regular evidence of compliance with state priorities, were generally favorable. Washington's relationships to its colleges and universities may not be as *laissez faire* as in some other states, but there was little evidence of pervasive contentiousness.

“Populism” is a strong value in Washington, and higher education according to the 1994 interviews was held in high public regard, widely considered an important social priority. Much of the frustration encountered among public officials stemmed less from an inability to control the enterprise than from the fact that competing demands from “entitlement” programs (K–12, corrections, etc.) rendered it difficult to provide higher education with the resources many felt were necessary. The resource demands of other public service areas were seen to increasingly conflict with those of higher education. Additionally, public initiatives to constrain legislative spending decisions and control taxes, coupled with media exposures of profligate agency practices, contributed to the frustration of legislators, legislative staff, and college officials.

A New Compact as Policy

In 1993, the new compact notion became more than an abstract discussion point when RCW 28B.80.610 of the HECB statute was amended to clarify the distribution of higher education responsibilities. The following statement of legislative policy appears in the notes for that section:

The legislature finds a need to redefine the relationship between the state and its postsecondary education institutions through a compact based on trust, evidence, and a new alignment of responsibilities. As the proportion of the state budget dedicated to postsecondary education programs has continued to decrease and the opportunities for the state's citizens to participate in such programs also has declined, the state institutions of higher education have increasingly less flexibility to respond to emerging challenges through innovative management and programming. The legislature finds that the state has not provided its institutions of higher education with the ability to effectively achieve statewide goals and objectives to increase access to, improve the quality of, and enhance the accountability for its postsecondary education system (emphasis added).

The amendment declared it a state policy to create an environment in which the institutions would have the authority and flexibility to meet statewide goals through decisions and actions at the local level: hence, a *New Compact*. Enrollment lids would be lifted, quality would be defined by results, and the state would get out of the business of micromanagement. This policy would be pursued through a system of coordinated planning and feedback.

Implementing this new compact through coordinated planning turned out to be placing a lot of weight on a slender reed. The omission of an explicit, operational step may explain why the idea seemed to drop from the radar screen. The HECB's Year 2000 Master Plan, *The 21st Century Learner*, makes no reference to such a compact and only indirect reference to institutional flexibility. ("Reward increased institutional productivity with greater flexibility to reinvest savings.") HECB staff report that they adhere to the values expressed in the legislation as they go about their work. Full realization of the new compact through coordinated planning and feedback, as committed to it as these people are, does not seem to have worked.

Academics and Legislator: Different Perspectives

A Public Agenda report prepared for The Futures Project at Brown University, *Meeting the Competition* (October 2002), listed "Academics versus Legislators on the Need for Greater Flexibility and Accountability" as one of the national issues. According to the report, "Even the way these two groups [legislators and academics] describe the problem is so different that it is hard to imagine they are talking about the same thing."

Different organizational cultures are involved. People who work in the governmental and academic sectors have different values, different ways of approaching problems, different schedules, different perspectives on results, and virtually different languages. These observations were described several years ago by Peter Szanton, in his book, *Not Well Advised*. It is difficult to improve on Szanton's words:

Most faculty members are trained and accustomed to work alone or, at most, in small groups of scholars in their own discipline. But the analysis of a significant policy problem almost always requires several perspectives and a number of [academic] disciplines. . . . Most faculty members are rewarded only as scholars and teachers, especially the former. The approval they seek is that of their peers, and that depends on the quality and number of their scholarly publications; the informal, non-disciplinary, and often-verbal communications most useful to a governmental client do not qualify. . . . Finally, the roles and powers of university administrators are quite unlike executives in business or government.

Many [governmental] officials tend to assume that a dean, provost, or president of a university speaks for his institution as a corporate executive or bureau director speaks for his. But academics know that "universities may have presidents, but presidents don't have universities;" academic administrators rarely deploy significant resources; the usual terms of academic employment mean that faculty members must be enticed into new commitments, and on terms satisfactory to them.

The two sectors may not be able to communicate, much less understand each other, until strategies that can bridge the gulf are found. Whatever their virtues, state master plans and planning processes are neither designed nor equipped to accomplish this. A more concrete approach is required.

State and Institutional Interests in Decentralization

Clear statements of statewide higher education goals are not prevailing in Washington statutes, although some may be inferred from references distributed throughout the RCWs (e.g., facile inter-institutional transfer of credit, inter-agency/institution consultation and cooperation, equitable and adequate enrollment opportunities, high quality services, effective and efficient resource management, accountability, etc.). The more likely routes to goal articulation are the state master plans developed by the HECB, which become the state's higher education policy upon adoption by concurrent resolution of the legislature (RCW 28B.330 (4)).

Master plans typically proceed from stated goals, but it is not often that people in government and in the reach agreement on a common set. The HECB's Year 2000 Master Plan goals describe a focus on student learning, linking K–12 and higher education, empowering higher education consumers, using E-learning to create opportunity, and helping colleges and universities compete. It would be difficult to object to any of these goals, but it is certain that if members of the two cultures were to rank them by importance, the respective rankings would differ. The goal of unleashing colleges and universities for competition might be an exception. Both sectors appear to share this interest, provided it can be accomplished while respecting the values of each culture. Accomplishing this goal will require more than just decentralization—it will require decentralization with accountability.

Talk of decentralization—increased flexibility, even privatization—is more frequent in Washington policy discussions about higher education. It occurs in conversations with legislators, board members, institutional administrators, statewide agency staffs, and students, faculty, and business leaders and residents of the communities the institutions serve. It emerges in conversations about management from the state and sometimes as an example of trends in the business sector that may also work for the government sector.

Some insist that the interest in higher education deregulation is a relatively recent occurrence, triggered by efforts initiated at the federal level in the 1980s and the attention-getting changes implemented in New Jersey. Others see it as a subject that has been of interest to governments for at least the past 100 years.

Examples of exactly how deregulation might take place in Washington's higher education system are more elusive. If the "what" and "how" are still somewhat unclear, belief that some movement toward decentralization needs to happen is apparent. Such beliefs are not limited to Washington.

Centralization and decentralization pressures may operate in a cyclical pattern in relation to resource patterns: when money is tight, states seem willing to extend greater autonomy to

institutions; when funding is more plentiful, they seem to want to take it back by imposing stronger procedural requirements.

Decentralization: Procedural Autonomy for Institutions

Another word that requires clarification is “autonomy,” since it also tends to evoke different reactions in academic and governmental cultures. In its 1974 summative report, the Carnegie Commission stressed the value of institutional independence and couched its conception of the responsibilities of governing boards in that connection. But on the subject of autonomy, which governing boards in some respects are expected to embody, the Commission stated:

It is customary to speak of campus “autonomy” . . . there is no such thing in the full sense of the word. Full autonomy is always limited by the general law and often also by the charter of the institution. Increasingly it also is limited by state and federal influence and control. Thus, complete autonomy is generally neither sought by higher education nor can it be given by any public authority. Higher education, however, should be substantially self-governing in its intellectual conduct, its academic affairs, and its administrative arrangements. We distinguish these three areas where a substantial degree of independence is essential, and we assert that selective independence—not autonomy—is the issue.

This statement paved the way for others to identify the important distinction between *substantive autonomy* and *procedural autonomy*. Both government and institutions have interests in the former, which envelops academic matters, including academic freedom. The state has an interest in an educated public, hence in the effectiveness and results of the education process. Colleges and universities also have an interest, particularly in academic freedom. This aspect of autonomy is not at issue. It is the second aspect of autonomy, *procedural autonomy*, that is central to discussions about degrees of centralization and regulation. The distinction is vital to an understanding of the issue. If the two sectors can agree on what is to be substantively accomplished through the higher education process, then they may be able to agree to allow institutions the procedural, or managerial, freedom to accomplish it.

Decentralization is focused on this aspect of autonomy: allowing institutions to manage their own operations within a framework of shared public and institutional interests. Colorado, Massachusetts, New Jersey, Illinois, Maryland, and Virginia are often considered examples of states in which decentralization, or deregulation, is occurring. There are others, although they are doing so to a lesser degree. During the 1992 legislative session in Washington State, for example, HB 1509 was enacted to exempt institutions from several purchasing, printing, and construction requirements, that is, extend to them a greater degree of procedural autonomy. Specifically, institutions still must comply with statutes concerning minority and women’s business enterprises, personal service contracts, employee expenses, leases and competitive bidding, but they may employ independent systems for compliance within the established limits rather than going through state agencies. The legislation also authorized them to deposit operating fees (tuition) into local accounts, which were not subject

to legislative appropriation. Similarly, bargaining units within institutions were empowered to leave the civil service system, and several new categories of personnel were statutorily exempted from civil service (e.g., certain managerial and professional employees). This represents a beginning to a more decentralized arrangement.

With its long history of non-regulation, Michigan may not be a good example of deregulation or decentralization since it has never really attempted to regulate its institutions as the term is used here. Berdahl and MacTaggart note that “Because of its long history of autonomy, Michigan provides less guidance on the process of deregulation than on the capacities necessary for a diverse, high-quality collection of institutions in a competitive environment.”

Among the other states, Massachusetts, Maryland, and Virginia, tend to be singled out for their attention to one particular approach to decentralization. These initiatives encompass a formal compact between the state and the institution. Although other terms may be employed, this approach is referred to here as the Institution Compact program, and the institutions that participate in it are called Compact Institutions. This is an idea that brings considerable potential to Washington’s situation and needs, and a separate section is devoted to it.

State Compact Colleges and Universities

MacTaggart and Berdahl characterize the last 50 years, leading to the presence of regulatory relationships between the state and the colleges and universities, as

[I]ntermittently motivated by efforts to manage the rapid growth in academic programs, student enrollment, and facilities; consolidate or at least orchestrate budget requests in state legislatures; resolve conflicts among institutions and regions of the state someplace other than in the halls of the statehouse; provide a central source of information and responses to requests for information and compliance reports to legislative committees and state regulatory agencies; address demands for improved consumer service in such areas as transfer of credits, more complete information to facilitate student choices, and the quality of learning results; achieve some economies of scale and consistency through consolidated services such as capital planning, purchasing, legal services, human resources, computing, and facilities management; negotiate and administer master contracts with increasing numbers of faculty and other employee groups represented by unions; and deliver greater accountability in the disbursement of federal and state [student] financial aid moneys.

These authors also noted that “In addition to the control exerted by system governing and statewide coordinating boards, in many states . . . powerful bureaucracies such as the attorney general’s office, the departments of employee relations, finance, administration, and facilities or capital asset management not only publish rules but often manage day-to-day affairs. It is not uncommon for a state bureaucracy to manage or supervise closely union contract negotiations, purchasing, legal affairs, and construction. Colleges and universities are also regulated by federal agencies including the Department of Education,

the Occupational Safety and Health Administration, the Environmental Protection Agency, the Internal Revenue Service, and a variety of lesser-known agencies.”

It is this cumulative pattern that underlies most calls for other solutions. It is difficult to see how change will occur without decisive intervention. The problem always has been how to do that. The 1993 legislative policy calling for a new compact with the institutions and for the state to get out of the business of micromanagement is a case in point. It stands as a comparatively clear statement of public policy in the state’s code of law. But beyond this presence in the compilation of statutes, there has been no physical instrument for implementation, aside, perhaps, from the admonition that systems of planning and feedback be created to assure policymakers and citizens that progress is occurring.

Other states have pondered the same dilemma—how to allow colleges and universities to operate more flexibly while ensuring the accomplishment of public priorities and accountability, and some new intervention strategies are being tested. One is the notion, briefly described earlier, of Institution Compacts, also called performance agreements, or contracts. Sometimes the term “charter” is applied, but since in higher education colleges and universities are typically “chartered” by statute or other authority, and, in that sense, all are “charter colleges and universities,” another term is needed, in this case, Institution Compact.

A March 2000 article in *The Chronicle of Higher Education* summarized events with respect to institution compacts in succinct terms: “Officials in Massachusetts, Virginia, and other states are discussing proposals to largely free public colleges of state regulation and allow them to experiment with new academic and tuition policies, in exchange for meeting their performance goals.”

Massachusetts: First Steps

Massachusetts is the state where the idea was first articulated in 1997. Stanley Koplik, then Chancellor of the Board of Higher Education, used the term “Massachusetts Vanguard College” to differentiate higher education institutions that would operate with institution compacts from others that would maintain a more conventional relationship with the state. His proposal exempted institutions from certain higher education board policies, such as new program approval, growth substitution policies, and program productivity standards, and extended complete financial and managerial flexibility with respect to state purchasing regulations. Vanguard Colleges also would have authority to set their own tuition and fees and retain tuition at the institution. They would receive an annual operating grant for campus operations and be relieved from burdensome reporting requirements. They also would have authority to set salaries for faculty.

On the college’s side, their agreement was to increase faculty productivity; exceed state student retention, time to degree, and graduation rate performance benchmarks; document that graduates exceeded achievement standards in key outcome areas (think critically, solve complex problems, work collaboratively); and demonstrate that graduates exceeded expectations, among others.

In what may have been a classic case of culture clash, this initial plan also called for the elimination of collective bargaining and the replacement of faculty tenure with faculty

contracts. Only institutions that could demonstrate achievement of all Board of Higher Education standards and meet a couple of other application requirements could qualify. Because of the tenure and collective bargaining abolition features, Koplik's proposal was fatally flawed and did not make it far from the starting gate, although the governor of Massachusetts recently expressed support for the idea, resurrecting it there.

According to MacTaggart and Berdahl, an effective institution compact plan has five crucial components:

First, a high-quality institutional board of trustees that is willing and able to accept fiduciary responsibilities when the state exempts the institution from specified procedural controls.

Second, in exchange for appropriations capped at mutually agreed upon amounts, plus inflation and enrollment growth and freedom from specified procedural controls on how funds are spent, the institution agrees that within its compact period (e.g., five years), it will provide more efficient and effective higher education services. Within the compact period, any substantial drop in enrollment also would lead to reduction in appropriations.

Third, during the compact period, the state board would retain authority over the institution's basic role and mission and the introduction of new programs compatible with that mission (although the coordinating board also could defer new program authority within its mission to the institution, reserving its approval authority for high-cost programs and other programs that do not fit within the mission).

Fourth, the statewide board and the institution would agree on the performance measures that would be reported and used to evaluate fulfillment of the compact agreement.

Fifth, freedom from procedural requirements would extend to such matters as purchasing, staffing, and privately funded capital construction. State fire, health, safety, auditing, and other vital requirements would continue to apply.

Virginia: Institutional Performance Agreements

The institution compact plan is relatively new. St. Mary's College in Maryland is the best example of an operating compact college. Virginia also has considered the idea as a matter of policy. In February 2000, Virginia's Governor's Commission on Higher Education recommended the development of institutional performance agreements (IPAs), other words for institution compacts, as a means of providing institutions with multi-year funding commitments and greater managerial freedom. Each IPA serves as a long-term strategic plan for the institution, tying tax support to strategic planning and accountability measures for academic quality and operational efficiency. The Virginia General Assembly endorsed the concept in the appropriations act. The Secretary of Education was directed to recommend the institutions to be considered for the IPA program.

In August 2000, the Governor and the Secretary of Education determined that five institutions in Virginia were ready to develop agreements: George Mason University (a

large regional university), Norfolk State University and Virginia State University (historically Black colleges), Virginia Commonwealth University (a large urban university with a medical school), and the University of Virginia (the state's flagship institution). Draft IPAs are to be prepared and submitted for review by the legislature. The object is to allow the members of the legislature to review actual agreements before final approval. A related goal is to proceed through a collaborative process that involves the state board, the legislature, and the institutions.

Important features of the Virginia program include its recognition that the performance agreement must represent a thoughtful and serious effort, that the process of institutional choice must be selective, that time is needed for development, that shifting to an institution compact base need not occur at once or by fiat, that the process must be collaborative throughout, especially during the initial phase, and that it can apply to different types of institutions. Should the initial trial phase meet expectations, the IPA arrangement would be extended over time to permanently change the state's relationships with its higher education institutions in a mutually accommodating setting of accountability.

A particular Virginia contribution is the IPA as a tangible link between the concept as an intellectual exercise and its implementation. Another contribution is an insistence that the performance agreement negotiation process be collaborative, one that involves the executive and legislative branches, the statewide agencies (in the case of Washington, also including the State Board for Community and Technical Colleges), the state budget office, and the institutions. A less recognized but nonetheless promising component would be a preceding dialogue in which stakeholders debated and agreed upon the goals that should be pursued through the institution compact approach.

Other states also are applying the idea. Colorado has designated the Colorado School of Mines as a "Colorado Millennium College," its designation for institutions achieving institutional compact status. In Kansas, the Board of Regents has been directed by the legislature to negotiate performance agreements with the public institutions. West Virginia has implemented an institution compact program with its public colleges and universities.

Possible Application in Washington

In view of the Washington legislature's previous commitment to a new compact with the colleges and universities, the plan appears especially worthy of consideration here. It offers a number of returns, the most obvious of which is clarification of the relationship the state values with its institutions. The HECB would occupy a pivotal role in the process, cooperatively with the legislature and the Office of Financial Management (OFM), among others. It would identify priorities, operate as a convener, negotiate performance agreements with the institutions (possibly collaboratively with OFM, legislative staff, and, if necessary the Attorney General), and monitor performance agreements. These all are collaborative functions.

Such a program additionally could provide a concrete purpose for a statewide higher education dialogue about state higher education goals and priorities, as well as a vehicle for their accomplishment. This dialogue should involve more than the members of a blue ribbon commission, and it should be a collaborative endeavor among the executive and legislative branches, the state higher education agencies, the institutions, the customers of

these institutions—students, parents, community, and business leaders—and the people who work within them. The debate also should be grounded in an understanding of how the goals and purposes would be pursued—through a new relationship with the institutions signified by the components of the institutional compact plan.

Institutional compacts could also serve as a means to tie performance measures to state goals and expectations and as devices for accountability without micromanagement. As state compact institutions, colleges and universities could be freed from undue regulation. The role of institutional governing boards as the entities responsible to oversee performance would be promoted. Ambiguity surrounding governance roles between these institutional boards and the coordinating board could be clarified, and the responsibilities strengthened for the institutional boards to manage their institutions.

Through this measure, the state could also offer some degree of predictability and stability in funding and managerial freedom, within the fiduciary framework of the institutional board, to apply these funds. With its separately governed institutions and the presence of an institutional governing board in each case to oversee the performance agreements, Washington is ideally situated to apply such a program.

Participation should be voluntary, at least until the institutional compact program is fully established. Governing boards should be allowed to defer participation if they believe the institution is not ready. In this case the present coordination relationships would continue, albeit within a clarified atmosphere with respect to state and public interests and the role of the coordinating board.

The institution compact approach should provide institutions with flexibility to meet competition, pursue state priorities, and respond to their market and service areas, client needs, and customer needs. For these and any number of other reasons, the concept offers potential and promise for changing the governance relationships that have formed in this state, clarifying relationships between the coordinating board and the institutions, improving the atmosphere of trust, and encouraging innovative adaptation.

CONCLUSION

Dissatisfaction with the HECB among stakeholders in Washington is obvious. This is not the first time that dissatisfaction exists with Washington's higher education agency. Whether the agency alone is the cause of the problem is debatable. While observers are fairly comfortable with how the HECB performs its administrative functions, they are divided on whether it accomplishes all its policy roles, including comprehensive planning and providing policy recommendations to the governor and the legislature. Most observers do not question whether these roles are necessary, only whether the agency is able to do them well. Regulatory tasks, such as program review and approval, evoke more negative feelings both in terms of the need for such control and in terms of how it is performed.

These opinions are similar to many expressed during the 1984 evaluation of the Council for Postsecondary Education (CPE). At that time, much of the problem was attributed to the coordinating board's *lack* of authority to accomplish its assigned responsibilities; it was a recommending agency that needed strengthening. The HECB, a regulatory coordinating board, was the result. Surprisingly, in view of the agency's present statutory powers, the HECB is viewed by some as having a limited role and too little authority. Other similarities with 1984 include references to lack of agency prestige, budget-driven higher education policy, lack of engagement, leadership and organizational challenges, staff expertise and credibility, too much focus on either the institutions or the legislature, and board composition.

The solution imposed by the 1985 Legislature was a complete reconstitution of the CPE—a new board, new executive staff, and a much clarified and strengthened planning and policy role. The most appropriate solution now is more difficult to discern, since both major approaches to coordination—a recommending board and a regulatory board—have been tried.

The search for a solution becomes more complex if one believes that the agency's consistent effectiveness may have little to do with organization and statutory authority. How and whether these are exercised is crucial, and requires a clear expectation of the state's relationship with its institutions—particularly the desired degree of autonomy and accountability. Without such clear expectations, the role of the HECB will remain subject to different interpretations.

Public colleges and universities are a different kind of state agency. The fact that all states establish lay governing boards between political sectors and the education entities (K–12 and higher) reflects this. It is an established tradition, but it creates complications. Most problems with governance are associated with this special status. If the relationship between the state and its institutions is not clear, the mission of the coordinating board—helping the two sectors work together and addressing the needs and expectations of each—will be hazy and subject to continued reinterpretation.

Notably, the external factor mentioned most frequently by the respondents during the recent interviews was “lack of legislative and executive branch leadership.” This description means different things to different people, but it is clear that government more than the

institutions comprise the HECB's constituency, and it is government that must provide the clues the HECB needs if it is to steer a steady course.

The usual solutions that states employ when authorities reconfigure higher education coordination are structural changes—boards are reconstituted, or reconfigured, and their powers may be further centralized or decentralized depending on the goals. If the expectation is that colleges and universities are to be treated as conventional state agencies, then the statewide higher education agency is likely to become a controlling or regulatory agency, and its powers will be defined in relatively concrete terms. If the colleges and universities are to be treated as relatively independent entities with some latitude for managerial freedom and flexibility, the central board's role will be tilted towards more abstract planning and coordinating functions and away from an enforcement role.

There are two problems with these generalizations. First, expectations are almost never clear, or at least not for long. Second, as the social, economic, and political environments change, dissatisfaction with and tension about the coordinating agency reemerge.

In Washington, the purpose clause of the coordinating board's statute may be a source of tension. The coordinating board's purpose clause references autonomous institutions, while its authority clauses assign the HECB the final word in a number of significant areas. Meanwhile, the authority provisions of the institutional boards contain few references to deference to the coordinating board. The institution governing boards' authority may be summarized easily, using the Board of Regents of Washington State University as an example: "The regents of Washington State University . . . shall have full control of the university and its property of various kinds" (RCW 28B.30.150). Strain between the missions of the coordinating board and the institution governing boards is inevitable.

Legislative expectations also change. The 1985 enactments that created the HECB designate an authoritative relationship between the state and the institutions. But circumstances change, and so do expectations. Washington State's emphasis on central or decentralized control has shifted over the years. During the first 15 years following 1970, emphasis was placed on institutional autonomy, and the coordinating board was statutorily constituted and empowered accordingly. Over time, however, an emphasis on accountability has emerged. By the mid-1980s, concerns about efficiency and performance reached a point where institutional autonomy became secondary, and there was a shift toward treating institutions more as state agencies. The first coordinating board was ill equipped to accomplish this, and it was reconfigured.

By the mid-1990s the pendulum began to swing the other way as the legislature began to display an interest in a different relationship; this change was exemplified by the statutory references to a new compact. The agency's role and mission, however, were not substantively altered. Yet, a need for clarified expectations, for new approaches, and for a different role for the HECB can be inferred from the comments of those who were interviewed for this study.

Such a need is not limited to Washington. In a recent memorandum (October 2002), Robert Atwell, President of the American Council on Education, offered these remarks about governance on the national scene.

1. There is no single correct state system of governance. The obsession with structures has clouded a need to focus on the real issues of the state's return on its investment in higher education and on planning for how to cope with dramatic increases in the demand for access.
2. After decades of movement toward the creation of state systems with regulatory and budgetary controls, there is now a movement toward more decentralized systems and more individual institution autonomy.
3. It is important to distinguish between . . . state-level governing or coordinating boards. [All are being weakened or abolished or becoming less regulatory and more decentralized.] While applauding the deregulation trend, when carried to an extreme, there may be little or no statewide planning and there will be "mission creep" in which most of the senior institutions strive to emulate flagships, and there will be a free-for-all at the [political] levels in which the politically strongest come out the winners. . . .
4. Mission differentiation is an important public policy function, which should be determined at the system level, supplemented by at least a statewide planning model that assures that no one public institution can define its own mission.
5. Once differentiated missions are established, institutions should be given broad autonomy and held accountable for the goals and objectives that flow from the mission.
6. High among the accountability measures for senior institutions would be the success with the transfer function, including but not limited to the access and retention of community college students. Also high on the list would be the access and retention of low-income and minority students.
7. We believe that any public higher education structure needs to have a planning function above the multi-campus system or individual institution level. However structured, the function should be buffered from [political influences] and [institutional] end-runs.

As shown Exhibit 5, a considerable amount of time has elapsed since Washington State has significantly changed the way it coordinates higher education. The recent experiences of other states, as well as Washington State's own history regarding higher education governance, provide an excellent opportunity to learn from past mistakes and successes. They also suggest some promising alternatives. Whether or not the state considers the issue of governance more fully, it should pay close attention to the interview results summarized in Part I of this report. The comments provide a valuable assessment of the strengths and weaknesses of the state's current coordinating structure.

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APPENDIX A: SUMMARY OF CURRENT OPERATIONS OF THE HIGHER EDUCATION COORDINATING BOARD

This appendix provides a brief description of the current operations of the HECB. It is based on the board's 2003–05 budget request, which includes a far more detailed description of HECB operations, accomplishments, and goals.

Overview

The Higher Education Coordinating Board (HECB) administers all state student financial aid programs. The HECB is responsible for a variety of planning, coordinating, and monitoring functions and provides analysis of higher education policy for the governor and legislature. The HECB authorizes the operation of out-of-state higher education institutions in Washington and evaluates programs offered for U.S. military veterans. These functions are carried out in cooperation with the governing boards of the public postsecondary institutions and all other segments of the higher education system. The HECB is governed by a ten-member board selected by the governor and confirmed by the Senate.

Primary Functions

According to the HECB, more than 98 percent of its budget is earmarked by the legislature for student financial aid and special projects. Coordination and planning, although a key focus as described by the HECB, represented less than 2 percent of the agency's budget during the 2002 fiscal year. The HECB has requested \$323.8 million and 79.5 full-time equivalent employees (FTE) to carry out its responsibilities for the 2003–05 biennium.

The HECB organizes its operations under three divisions: (1) the Division of Fiscal and Policy Development, (2) the Division of Education Services, and (3) the Division of Administrative Services (see Exhibit A-1 for the HECB's organizational chart).

Division of Fiscal and Policy Development. In addition to the responsibilities listed below, the Division of Fiscal and Policy Development responds to special requests from the governor and the legislature for higher education information, policy analysis, and evaluation of issues and options. This division also provides information to organizations that represent students in the political process, such as the Washington Student Lobby.

The Division of Fiscal and Policy Development is assigned to carry out the following responsibilities of the HECB:

- Prepare a comprehensive master plan every four years that includes assessments of the state's higher education needs. The next master plan will be published in December 2003.
- Identify the state's higher education goals, objectives, and priorities.

- Establish minimum admission standards for the four-year institutions.
- Establish statewide transfer policies and agreements to enhance student progress and degree completion.
- Review, evaluate, and make recommendations on operating and capital budget requests from the four-year institutions and the community college system.
- Recommend tuition and fee policies and levels.
- Review and recommend compensation practices and levels for faculty and administrative employees.
- Adopt rules implementing residency requirements.
- Develop and administer reciprocity agreements.
- Develop and conduct, every four years, a higher education cost study to delineate educational cost per student FTE for each sector, level, and discipline.
- Prepare fiscal notes on all legislation introduced that affects higher education.
- Recommend legislation affecting higher education.
- Approve the purchase or lease of major off-campus facilities for four-year institutions and the community college system.
- Develop criteria to identify the need for new baccalaureate institutions.
- Administer the Graduate Fellowship, Distinguished Professor, and Undergraduate Fellowship programs.
- Prepare recommendations on merging or closing institutions.
- Review programs and make recommendations on activities to increase the participation of under-represented groups in higher education.

Division of Education Services. The Division of Education Services administers the state's numerous student financial aid programs. Washington's financial aid programs assisted approximately 68,100 students in 2001–02. The major financial aid programs were the State Need Grant (serving 53,000 students), State Work Study (8,600 students), the Washington Promise Scholarship (6,500 students), and the Educational Opportunity Grant (1,000 students). The remaining targeted programs serve considerably fewer students. This division is also responsible for evaluating student needs for financial aid and the performance of existing financial aid programs.

The Division of Educational Services administers the HECB's grants and contracts, such as the Displaced Homemaker Program and GEAR-UP, and also carries out the HECB's regulatory responsibilities, such as authorizing private and out-of-state programs and four-year degree program approval.

The Division of Educational Services is responsible for the following:

- **Financial Aid Programs:**
 - State Need Grant
 - State Work Study
 - Educational Opportunity Grant
 - Washington Promise Scholarship
 - Washington Scholars
 - Future Teachers Conditional Scholarship
 - American Indian Endowment Scholarship
 - Community Scholarship Matching Grant
 - The Western Interstate Commission for Higher Education student exchange program (WICHE)
 - Alternative Teacher Certification
 - Health Professional Loan Repayment and Scholarship
 - Master of Education Reimbursement Scholarship
 - Washington Award for Vocational Excellence (under contract with the Workforce Training and Education Board)

- **Grants and Contracts:**
 - Displaced Homemaker Program
 - Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP).
 - College Assistance for Migrants Program (CAMP).
 - Leveraging Educational Assistance Partnership (LEAP) and the Supplemental Leveraging Educational Assistance Partnership (SLEAP)
 - Title II, No Child Left Behind – Improving Teacher Quality Grants
 - Child Care Matching Grants

- **Authorizing and Monitoring Functions:**
 - Authorize private and out-of-state programs
 - Approve and monitor programs serving VA beneficiaries
 - Approval of degree programs at public four-year institutions
 - Review, evaluate, and make recommendations to modify, consolidate, initiate, or eliminate on-campus programs at the public four-year institutions

Division of Administrative and Services. The Division of Administrative Services includes the board's executive leadership and other personnel responsible for board member support, legislative relations, personnel, information services, and other agency functions. This division plans and conducts regular meetings of board members; supports other official board member activities; and communicates policy recommendations, goals, and other information to the governor, legislature, media, citizens, and institutions of higher education. The Division of Administrative Services is responsible for running the agency. In addition to supporting the board in all of its activities, the division supplies such things as personnel services and maintenance of the agency computing environment and internet presence.

Accomplishments

An evaluation of HECB performance or accomplishments was not attempted for this review. However, the HECB describes a number of accomplishments in their 2003–05 budget request. In addition to its current work toward completion of the next master plan, the HECB described its continued role in allocating funds to support high-demand enrollments. It also administers several grant and pilot programs: Information Technology Instruction Grants to the University of Washington, Washington State University, Western Washington University, and Eastern Washington University; Fund for Innovation and Quality in Higher Education; Teacher-Training Pilot Programs at the University of Washington at Bothell and Western Washington University; and Child Care Matching Grants with Central Washington University, Eastern Washington University, and Washington State University.

The HECB has developed new applications and technical enhancements to improve services to institutional customers regarding the State Need Grant, work study and other programs. The HECB also has studied the feasibility of creating an integrated information system for all its programs.

The HECB described its continued efforts at community outreach: working with the media to increase public awareness of higher education issues and developing a two-year strategic plan for informing the state's opinion leaders and policymakers on topics related to higher education. The HECB redesigned its website to improve access to information about preparing for college, higher education issues and programs, HECB reports, and news releases on policy issues and programs. The HECB published the following reports during the last two years (August 2000 to August 2002):

1. *Key Facts about Higher Education in Washington* (August 2002)
2. *Fund for Innovation and Quality in Higher Education/Final Report* (June 2002)
3. *Report on Institutional Degree Programs: Two-Year Plans, Recently Approved Programs, and Program Review* (March 2002)
4. *Future Teachers Conditional Scholarship Program Evaluation* (February 2002)
5. *2001–2002 Washington State Tuition and Fee Report* (January 2002)
6. *2001–2002 Tuition and Fee Rates: A National Comparison* (January 2002)

7. *Border County Pilot Project: Review and Recommendations* (December 2001)
8. *Outcomes Report: 1999–2001 Teacher Training Pilot Program Grant* (December 2001)
9. *2001 Washington State Higher Education Statistics* (September 2001)
10. *Postsecondary Opportunity and Achievement in Washington* (May 2001)
11. *2000 Master Plan: Final Report on the Comprehensive Review of Enrollment Goals and Capital Assumptions* (February 2001)
12. *2000 Distance Learning Study* (January 2001)
13. *2000–2001 Washington State Tuition and Fee Report* (January 2001)
14. *2000–2001 Tuition and Fee Rates: A National Comparison* (January 2001)
15. *2001 Report on Reciprocity Agreements and Other Student Exchange Options* (January 2001)
16. *Educational Opportunity Grant Program Evaluation* (December 2000)
17. *Washington State University Academic Calendar: Semester vs. Quarters* (December 2000)
18. *Performance Accountability: 1999–2000 Academic Year Review and Recommendations for 2001–2003* (November 2000)
19. *2001–2003 Operating and Capital Budget Recommendations* (October 2000)
20. *Competency-Based Admissions Standards: A State Assessment Prototype, Phase II* (August 2000)

APPENDIX B: STATUTORY AUTHORITY

Authorizing Statements

- **RCW 28B.80:** Establishes Higher Education Coordinating Board and outlines statewide planning, coordination, monitoring, and policy analysis functions for higher education.
- **RCW 28A.600.120:** Establishes Washington Scholars program under board administration.
- **RCW 28B.04.040:** Establishes Displaced Homemaker program under board administration.
- **RCW 28B.10.220:** Assigns the board to supervise distribution of financial assistance to blind students.
- **RCW 28B.10.650:** Regulates higher education remunerated professional leaves for faculty and requires board to monitor compliance with requirements.
- **RCW 28B.10.800 to .824:** Establishes State Need Grant financial aid program under board administration.
- **RCW 28B.12:** Establishes State Work Study financial aid program under board administration.
- **RCW 28B.15.015:** Requires the board to adopt uniform rules and regulations for determining a student's resident or nonresident status and for recovery of fees for improper classification of residency.
- **RCW 28B.15.070 and .076:** Requires the board to calculate the per student educational costs at public institutions upon which tuition and fees will be based.
- **RCW 28B.15.730 to .758:** Authorizes the board to enter into reciprocal tuition and fee agreements.
- **RCW 28B.15.760 to .766:** Establishes a loan program for prospective mathematics and science teachers under board administration.
- **RCW 28B.70 and 28B.80.150 to .170:** Ratifies the Western Interstate Commission for Higher Education and assigns coordination to the board.
- **RCW 28B.85.020:** Establishes program for authorization of nonaccredited and out-of-state degree-granting institutions under board administration. Section 1, Chapter 38, Laws of 1994: Requires the board to develop an interagency agreement to regulate degree-granting private vocational schools.

- **RCW 28B.20.867–874:** Requires the board to administer the Distinguished Professorship trust fund program.
- **RCW 28B.10.881–884:** Establishes the Graduate Fellowship trust fund program and requires the board to administer it.
- **RCW 28B.80.280:** Requires the board to establish and maintain a statewide transfer of credit policy and agreement.
- **RCW 28B.80.510–520:** Requires the board to ensure a collaborative partnership between the community colleges and the four-year institutions in regard to branch campuses.
- **RCW 28B.80.550–555:** Requires the board to establish an advisory committee on access to higher education for students with disability and to report on resources needed by institutions to improve services for students with disabilities.
- **RCW 28B.80.600:** Requires the board to provide statewide coordination of video telecommunications programming for public four-year higher education institutions.
- **RCW 28B.101.031:** Requires the board to develop and administer the Educational Opportunity Grant program.
- **RCW 28B.102.030:** Requires the board to administer the Future Teachers Conditional Scholarship program.
- **RCW 28B.108.005–007:** Creates and requires the board to administer the American Indian Endowed Scholarship program.
- **RCW 28B.110.030:** Requires the board to develop rules and guidelines to eliminate gender discrimination and sexual harassment at higher education institutions; also requires the board to monitor institutional compliance and report quadrennially to the Governor and the Legislature.
- **RCW 28B.115.030:** Requires the board to administer the Health Professional Loan Repayment and Scholarship program.
- **RCW 28B.125.010:** Requires the board and other state agencies to establish a statewide Health Personnel Resource Plan.
- **RCW 28B.10.784:** Requires board staff to participate in a technical work group to establish procedures and standards for estimating participation rates.
- **RCW 28B.10.692:** Requires the board to review and report on institutional strategies to improve graduation rates and shorten time to degree.

APPENDIX C: FUNCTIONS OF STATEWIDE HIGHER EDUCATION BOARDS

Based on the literature, the functions and purposes of a higher education coordinating board may be summarized as follows:

- Maximize opportunities for postsecondary education
- Promote full and honest explanations—to the public in general and to legislators and elected administrators in particular—about all matters of broad public concern
- Accommodate the public interest in statewide planning and interactions with institutions
- Keep politics and geopolitical problems out of planning
- Advance authoritative decisions that have integrity, efficacy, and can be accounted for—decisions that allow the system to accomplish what it has set out to do and that can be evaluated based upon widely agreed goals
- Encourage innovation, change, experimentation, and adaptation
- Serve as a positive force to ensure adjustment to emerging demographic, economic, and education trends
- Promote a focus on common goals, collective purposes, and accountability
- Avoid needless duplication in state-supported institutions of higher education
- Assure the best utilization of available resources to achieve an adequate level of higher education in the most economic manner
- Accommodate both state priorities and the needs of individual students
- Recognize the need for and promote evaluation and assessment
- Define the roles and missions of institutions to establish as great a distinction among providers as is educationally, geographically, and economically appropriate
- Assure that institutions perform, at a high level of quality, functions that are important to the people in the larger society
- Assure continuity in planning and decision-making, sustained attention to system issues, clarification of system and institutional roles, and responsiveness to public policy issues
- Accomplish simplicity of state administrative procedures
- Recognize the constitutional and statutory responsibilities of the duly constituted governing boards of state-supported institutions of higher education
- Extend authority to institutional boards for general supervision of their respective institutions, including control of funds

- Allow higher education to be substantially self-governing in its intellectual conduct and its academic affairs
- Preserve intellectual integrity from attacks from within as well as from without
- Distribute rather than centralize responsibility and accountability
- Employ participatory, as distinct from negotiation, processes
- Promote competition but not be adversarial
- Value effective decision making and communication about outcomes
- Not get in the way of institutions' fulfillment of their basic roles and responsibilities

APPENDIX D: HIGHER EDUCATION GOVERNANCE SYSTEMS IN THE UNITED STATES

There are different ways states organize to perform governance functions, but one must appreciate that statewide higher education entities are a comparatively recent historical phenomenon. In a 1952 report prepared by the Council of State Governments, dated to some extent by its title, *Higher Education in the Forty-Eight States*, researchers drew attention to the need for some sort of state-level coordinating or planning body when they argued that *institutional* governing boards were concerned “primarily and necessarily with the problems of the institutions under their jurisdiction. Only secondarily do they direct their attention to the overall, statewide problems relating to higher education. Other machinery, formal or informal, is needed for determination of these ‘middle-ground’ questions.”

They went on to observe that the widespread use of different types of coordinating mechanisms was testimony to the need for statewide coordination. They identified three popular approaches: “(1) the informal, voluntary inter-institutional council composed of board or institutional officials; (2) the multi-institution board, which directly governs two or more separate institutions; (3) the formally established central coordinating board, created for the purpose of coordinating programs and activities carried on by institutions which operated under the immediate supervision of their respective direct governing boards.”

In a prescient series of findings (public demand for access will continue to mount; expenditures for higher education will continue to increase; public funds will continue to supply the major share of institutions’ income) the report concluded, “Close coordination of the programs and activities of state institutions of higher education is urgently needed in order that available resources and facilities may be utilized most effectively.”

In a 1985 SHEEO paper, *State Coordination of Higher Education: The Modern Concept*, Lyman Glenny identified two broad forms of statewide agencies:

“A single statewide governing board for all public colleges and universities (eliminating all of the individual institutional boards); and

A coordinating board juxtaposed between the governor/legislature and the institutional governing boards that embraces all of higher education, public and private.”

Over the succeeding years, the generally accepted taxonomy settled on three main types of statewide agencies: *consolidated governing boards*, *coordinating boards*, and *state higher education planning agencies*, the last of which is distinguished by the general absence of any clear, formal governing or coordinating authority. One problem with these distinctions is that some states could be classified into more than one. Depending on how one counts them, two states fit rather clearly into the last category (Michigan, Delaware), although a few others (e.g., Minnesota, which has a planning agency but which is classified as a multiple system governing board state here) come close. The remaining 48 divide into “Governing Board” and “Coordinating Board” states. The former have governing responsibility for the institutions. That is, they have all the rights and responsibilities of a corporate board as conveyed by law. Some are constitutionally based (as are some coordinating boards): they

have authority to hire, compensate, and fire chief executives of the institutions that comprise the system; prepare a budget and allocate resources; establish faculty and other personnel policies; manage assets; award degrees; etc. Some also serve as the *de facto* state higher education planning agency, although few really do this well.

Coordinating boards typically do not manage institutions. They hire, compensate, and can fire their own chief executive and staff but not those of the institutions. They do not have corporate status in the governing board sense. They are supposed to focus on state needs and priorities rather than those of the institutions. They may or may not have budget review authority, program approval authority, etc., and it is usually how they align in this regard that determines whether they are “regulatory” or “recommending” boards.

Within these broad groupings, virtually every state’s configuration is distinctive. All of the two main forms (again, three are planning agency states) can be organized into subtypes. In the interest of simplicity, Governing Board states, of which there are 23, generally operate under one or two state-level governing boards, and none of these except for Alaska has a strong statewide coordinating agency (e.g., a coordinating board with authoritative academic policy or budgetary authority). Ten Governing Board states have a single governing board for all of higher education; thirteen have two or more boards, usually one of which is responsible for coordinating or governing the community and technical colleges. About 30 states have coordinating boards, although not all are “Coordinating Board States,” *per se*, since some also have statewide governing boards. For the purposes of this discussion, 25 are classified as coordinating board states (although New York, which has a coordinating board in the State Department of Education, is often considered a governing board state), and these are divided into those states wherein the board has program approval and an authoritative budget role and those in which the boards have recommending authority.

According to the Education Commission of the States (ECS), the Governing Board States are categorized as follows:

Exhibit D-1
Governing Board States (N=23)

| Single Governing Board | Multiple System Governing Boards |
|------------------------|----------------------------------|
| Alaska | Arizona |
| Florida | Georgia |
| Hawaii | Iowa |
| Idaho | Kansas |
| Montana | Maine |
| Nevada | Minnesota |
| North Dakota | Mississippi |
| Rhode Island | New Hampshire |
| South Dakota | North Carolina |
| Utah | Oregon |
| | Wisconsin |
| | Wyoming |
| | Vermont |

Exhibit D-2
Coordinating Board States (N=25)

| Approving Boards | | Recommending Boards |
|------------------|----------------|---------------------|
| Alabama | Nebraska | California |
| Arkansas | New Jersey | New Mexico |
| Colorado | New York | Pennsylvania |
| Connecticut | Ohio | |
| Illinois | Oklahoma | |
| Indiana | South Carolina | |
| Kentucky | Tennessee | |
| Louisiana | Texas | |
| Maryland | Virginia | |
| Massachusetts | Washington | |
| Missouri | West Virginia | |

There is obvious overlap on these listings. Alaska, for example, could be classified as both a statewide governing board and a coordinating board state, as could be Minnesota, New Hampshire, and Vermont.

In an effort to describe the different American governance forms schematically, ECS discerned six basic patterns:

1. Consolidated Governing Board for All Public Institutions
2. Consolidated Governing Board for All or Most Senior Institutions and a Separate Board/Agency for Community Colleges and/or Technical Institutions
3. Same as "2" but With an Additional Planning Agency
4. Mixed Single Institutional Boards and Multi-Campus/Segmental System Boards
5. Segmental System Boards
6. Single Institutional Governing Boards

Washington's system fits best, but not perfectly, under "4," a mixed coordinating board system with single, multi-campus, and segmental system boards. Actually, rather than six basic forms, at least nine are apparent. They are as follows:

1. Consolidated Governing Board With One Board for All Institutions
2. Consolidated Governing Board With One Board and a Statewide Coordinating or Planning Agency
3. Consolidated Governing Board With Two Governing Boards
4. Consolidated Governing Board With Two Governing Boards and a Statewide Coordinating or Planning Agency

5. Coordinating Board With Regulatory (Program Approval) Authority and Consolidated or Aggregated Budget Authority
6. Coordinating Board With Regulatory Authority and Budget Review and Recommendation Authority
7. Coordinating Board With Regulatory Authority but no Authoritative Budgetary Role
8. Coordinating Board With Only Advisory or Recommending Authority
9. Service/Planning or Other Agency States

Washington fits closest to category “6” on this listing. Even this is arbitrary, however, for if one were to consider all the other extant options, and if all of the particular exceptions to the basic categories were taken into account (indicated by 11 footnotes on the ECS table), perhaps another 11 or 12 would need to be added, for a total of about half the states.

These presumptions also beg the question of whether all possible types of feasible or efficacious arrangements are represented by these classifications. Obviously, all are not. Washington’s system of independent governing boards, a community and technical college system board, and a quasi-regulatory coordinating board does not fit perfectly under any.

Other classification forms also have been discussed, lending substance to the view that governance entails more than just structure. Pat Callan, Richard Richardson, Joni Finney, and Kathy Bracco make the following point:

Our purpose ... is to propose a new and more powerful way of thinking about how the performance of state higher education systems is influenced by policy environments, system designs, and leadership. We do not see our task as an academic exercise. We hope, rather, that improved understanding of the way these variables interact with each other and ultimately influence performance will lead to informed public policy.

These authors categorize governance structures for higher education systems as “segmented,” “unified,” or “federal.” (The term “federal” is used in its pure form, a relatively centralized union of a central authority and several local authorities, in contrast with “confederal,” which describes a relatively weak central authority and comparatively stronger local authorities.)

In segmented systems, multiple governing boards are each responsible for one or more institutions, and there is no central state-level entity with comprehensive authority for all of higher education. In unified systems, a single governing board manages all public institutions. Federal systems have a statewide board responsible for collecting and distributing data, advising on the budget, planning programs from a statewide perspective, and encouraging articulation. Washington’s would be a “federal” system.

Some may consider these as other names for more familiar structures, but the authors are talking about structures and relationships. They note that the three array on a continuum ranging from segmented through unified to federal, with no clear line of demarcation between them. The seven states they studied arrayed on this same continuum in this order:

Michigan, California, New York, and Florida (states with segmented systems), Georgia (a unified system state), and Texas and Illinois (federal system states).

Notably, there are some intrinsic problems with the comparative approach that can be avoided through thoughtful preparation. One of these is represented by the fact that no two state governing systems in the United States are the same. Whether one maintains that there are two, three, four, 14, or 20 or more models will depend on which level of simplification is most comfortable.

Structural differences relate directly to differences in state policy cultures, including legislative and executive branch roles. States vary on the extent to which the balance of power resides in the legislative or executive branches and the extent to which budgetary, administrative, and procedural responsibilities for higher education are delegated to the statewide agency. Centralization and stability also relate to the extent there exist regional (rural/urban) imbalances. The role of the private higher education sector also is a consideration.

States with long traditions of public higher education sector dominance tend to treat colleges and universities more as public agencies than as independent corporations. Consolidated governing boards tend to operate most effectively in states with comparatively lower total higher education enrollments (<100,000). Coordinating board states, by contrast, tend to have large enrollments and complex multi-sector systems. Another variable frequently mentioned is leadership values. The leadership qualities of board members, statewide agency directors, and institutional leaders change. These, quite aside from formal authority, can define the strength and effectiveness of a statewide board.

These observations apply to Washington's situation. Here the legislature has delegated by statute considerable budgetary, administrative, and procedural authority to the HECB. Regional differences within the state are great. Private higher education in Washington comprises an important but separate policy domain with a strong and generally unchallenged tradition of independence. Public colleges and universities sometimes are treated more as public agencies than as quasi-independent corporations, although some of this seems to be changing. Finally, individual leadership styles make a great difference in Washington, as its history with statewide agencies demonstrates; this also is evident in patterns of institutional leadership.

Washington follows the pattern of most states in that responsibilities are distributed by statute. In Alaska, Georgia, Louisiana, Michigan, Mississippi, Montana, Nebraska, Nevada, North Dakota, Oklahoma, Pennsylvania, and South Dakota the source is constitutional. Some institutions and multi-campus systems in states, such as California's University of California and Colorado's University of Colorado, are constitutionally vested, but statewide administrative, budgetary, and procedural authority derives from statute.

Washington is one of a small number of states (Illinois is another) in which the board chair is appointed by the governor. In most states, this appointment is the province of the board. In Washington, the governor appoints the board members, who serve staggered terms in accord with statute, usually with senate confirmation, and the governor separately appoints the chair of the board, who serves at the governor's pleasure, sometimes tendering a resignation when a new governor is sworn into office. In New Jersey, the board elects the

chair, but the governor has the power of removal. The executive director of the Office of Student Assistance in New Jersey is appointed by the governor.

States in which higher education CEOs are appointed by the governor include Delaware (Delaware Community and Technical Colleges), Iowa (Head of the State Board of Education), Maryland (governor appoints from a list of three submitted by the board), New Hampshire (Department of Postsecondary Technical Education), and Pennsylvania (both the heads of the State Board of Education and the Council on Higher Education).

The object of these linkages is to gain policy consistency between the administration and higher education. The arrangement also may feed impressions that state-level coordination is susceptible to politicization, thereby avoiding more general coordinating board purposes in this regard, but it also injects an element of change into the process.

One obvious challenge is to keep the two in balance—managing the political interest through responsive reporting and progress while protecting the feature that brings the greater potential for change and adaptation into the process. If one is carrying a ton of canaries in a half-ton truck, there is something to be said for periodically stopping and pounding the side of the box with a board to get half of them into the air.

The important functional differences among statewide boards are pretty much represented in the distinctions noted earlier (i.e., budget review, program authority, planning authority, etc.) and on the list of governance purposes that appears earlier. There are a few distinctions that might be noted with respect to the Collaborative dimension of governance. Most states employ arrangements for advisory purposes and inter-sector communications, Washington among them (RCW 28B.80.380 requires the HECB to establish advisory committees composed of representatives of faculty, administrators, students, regents and trustees, and staff of the public institutions, the Superintendent of Public Instruction, and the independent institutions).

There are other arrangements. Councils of presidents comprise an example of an arrangement with an ostensibly collaborative purpose. States with advisory councils of presidents include Alabama, Arkansas, Kentucky, Missouri, New Jersey, South Carolina, Washington, and West Virginia. Inter-institutional relations committees, particularly in the credit transfer arena, also are important. Some of the states with inter-college relations councils, some of which are charged with the task of continuous monitoring of the credit transfer issue, include California, Missouri, New Mexico, Ohio, Virginia, and Washington.

Such lists of the formal structural, functional, and some of the collaborative distinctions among states reach book size proportions. These can be pretty dry, and they may be suited more to the needs of academic researchers than policymakers. Each state will and should devise and be responsible for its own higher education governance arrangement. A few examples of different arrangements and approaches are Michigan, New York, Illinois, and Ohio.

Michigan. Michigan has long been considered a state that maintains a *laissez faire* relationship with its institutions of higher education, in accordance with a long history based on the constitutional status of the state's largest universities, the University of Michigan, Michigan State, and Wayne State, and the relative absence of legislative involvement in

higher education matters. Michigan, accordingly, does not have a state-level coordinating board or higher education governing authority. Under the state's constitution, some very limited coordinating functions are assigned to the State Board of Education, which has primary authority for elementary and secondary education. Its authority is limited to the coordination of services between two- and four-year institutions, which it pursues by recommendations to the legislature with respect to budgetary and program matters, licensing, and charter-granting authority for independent institutions.

The Higher Education Assistance Authority is the student financial assistance agency. Michigan is one of three states in the classification of those without a statewide agency. Vermont and Delaware are the other two. As noted, Richardson and company place Michigan at the "provider" end of their spectrum, as a state in which the legislature "supports institutions usually with across the board increases and few restrictions on how the money is spent." Michigan also has no statewide coordinating board, although the State Board of Education has responsibility for planning and coordinating educational policies outside the context of the constitutional authority of the institutions that have it.

New York. The University of the State of New York comprises all elementary, secondary, and postsecondary institutions. The Board of Regents is responsible for the supervision and setting of policy for all education activities and presides over the university and state education department. The board and the university are constitutionally vested. The 16 regents are elected by the legislature, one from each of 12 judicial districts and four at large. The chancellor and vice-chancellor are elected from their ranks by a majority of regents. They have authority for planning and coordination and degree approval for all sectors and levels. They appoint the president of the State University of New York (SUNY), who serves also as the commissioner of education and the CEO of the state education department. There are two statutory governing boards—the Board of Trustees of SUNY and the Board of Trustees of City University of New York (CUNY). The Higher Education Services Corporation administers student financial aid programs.

Illinois. The Illinois Board of Education is instructive as an example of a coordinating board responsible for disparate institutional governing boards, some of which are appointed, and some of which, the community colleges, are elected. It also illustrates the precept that states can organize their higher education systems in just about any way they wish.

The Illinois Board of Higher Education is the coordinating board for that state. It probably would be classified as a "strong" coordinating board, although, as noted, strength is a function both of authority and the interpretation and exercise of that authority. The board is composed of ten public members appointed by the governor: a member representing university governing board members, a member representing independent college and university trustees (both appointed by the Governor for one year terms), the chair of the community college board, the chair of the Illinois student assistance commission, and a student board member (also one-year term).

In 1995, the legislature abolished two of the four public university governing boards (the Board of Governors and the Board of Regents), placed one of their campuses under the governance of the University of Illinois, and established individual governing boards for the remaining seven institutions previously governed by the two abolished boards. Now there are nine public university governing boards, seven of which each govern a single campus,

while the remaining two govern multiple campuses. The Board of Higher Education has responsibility for state-level planning, program review and approval, and the development of budget recommendations for all public universities and community colleges.

The 40 community colleges, with their 49 campuses, are coordinated by the Illinois Community College Board. Each community college district is governed by a locally elected board of trustees. The State Board of Education is responsible for adult and vocational education, but it is required to enter into annual interagency agreements with respect to standards, funding, and reporting requirements with the Community College Board.

Ohio. Although called the Ohio Board of Regents, it is the coordinating agency rather than a governing board for higher education in that state. The board consists of nine public members appointed by the governor and two *ex-officio* members (the chairs of the house and senate education committees). It has statutory responsibility for planning and coordinating public senior institutions and community and technical colleges, responsibility to review institutional budget requests and to make recommendations for a consolidated budget, and approve programs for both four- and two-year institutions, private colleges and universities, and diploma schools of nursing.

A rather large number of institutional governing boards operate in Ohio, since there is no combined multi-campus system. These are the Board of Trustees of Bowling Green State University, The Boards of Trustees of the University of Akron and Wright State University (two boards, each governing one senior university and one public branch), The Boards of Trustees (separate boards, each governing one institution) of Central State, Cleveland State, and Shawnee State Universities, the University of Toledo, and Youngstown State University. The Boards of Trustees of Ohio State University and Ohio University each govern one senior institution and five branches. The Board of Trustees of Kent State University govern this senior institution and seven branches. The University of Cincinnati and Miami University each have their own governing board for their respective senior institutions and branches.

Six community colleges are governed individually by boards representing the state and the county; nine state community colleges have state-appointed boards. The eight technical colleges are governed by boards representing the state and local taxing districts. The Ohio Board of Regents coordinates all of these institutions. The Ohio Association of Community Colleges is a voluntary organization that represents the interests of the state's 23 community and technical colleges.

In fact, because each form has devolved from its civic and political cultures, not only are there are really 50-plus models, any solutions will have to fit the special situation of the state in which they are applied. An interstate comparative analysis can inform the process, perhaps lead to a choice, and that is how this analysis is intended, but one should not assume that another model can simply be grafted onto Washington and that it will work. In view of the mixed results of Washington's history of efforts to establish the best structural and functional arrangements and to induce improved collaboration, there are no structural or functional changes based on other states' arrangements that readily present themselves, that is, that would guarantee a more or less permanent improvement in matters in this state. There have been some comparatively recent cases in which states have reorganized or

restructured their statewide higher education agencies. A brief look at some of these might reveal something about whether the cure is worse than the pain.

Oregon. In the late 1980s, the Oregon Educational Coordinating Commission was disbanded and replaced with the Office of Educational Policy and Planning as a unit within the Office of the Governor. The executive officer was appointed by the governor and served at the governor's pleasure. The office was given statutory authority to review all new and existing programs and their delivery sites for consistency with statewide policy. It was given responsibility to review the budgetary policies of the educational components and make recommendations to the governor. It was assigned statewide strategic planning responsibility, and both the Board of Education and the Board of Higher Education were directed to cooperate with the office in this procedure. It also was required to maintain a central database to require each higher education governing board to submit a long-range plan for its review and coordination.

This experiment with gubernatorial higher education planning and coordination proved to be short-lived. The governor appointed an executive, who in turn hired a small staff. Although the office had a strong initial presence, it did not sustain a role as a significant player in Oregon's higher education drama. Observers there noted recently that it "passed without a whisper."

Presently the Department of Higher Education serves as a statutory cabinet department. It has responsibility to coordinate the Oregon University System and administer the policies set by the Oregon State Board of Higher Education. This board is the governing authority for the state's six public universities and its institute of technology. The State Board of Education, a different organization, supervises and regulates 17 community colleges, each of which has its own elected governing board. This board also functions as the State Board of Vocational Education and the State Board for Community Colleges. The State Student Assistance Commission serves as the student financial aid agency. The Oregon Joint Boards of Education coordinates relationships between the K-12 and higher education sectors, in effect serving as the state's K-16 organization. Oregon's system is comparatively loosely coupled, and there is no statewide higher education entity of the form normally envisaged. Thus, it tends to reside between the cracks in the statewide agency organizational classification schemes.

New Jersey. The state mentioned most frequently in conversations about decentralization is New Jersey, as it was this state that for all intents and purposes in 1994 moved decentralization from discussion to reality. Before this change, the coordinating board in New Jersey—Board of Higher Education (BHE)/Department of Higher Education (DHE)—was classified as a strong regulatory board in that, among other things, it had authority for salary and personnel policies for the institutions. New Jersey's changes were based on a proposal to restructure the state's higher education system that was issued by Governor Whitman shortly after her election in November 1994. The Governor's proposal featured decentralizing governance responsibility from the state to the individual institution boards, eliminating the BHE and DHE, and maintaining the state's commitment to higher education access, affordability, and accountability.

The BHE/DHE, staffed by nearly 300 people, was eliminated. It was replaced by a Commission on Higher Education, with a staff of about 20. And while a Presidents' Council

composed of the president of each state-supported institution serves as a voluntary coordinating body with advisory authority, the Presidents' Council is not the statewide planning agency. Responsibilities for student financial aid were transferred, along with most of the 300 members of the BHE/DHE staff, to a new office of Student Assistance located in the Department of the Treasury.

The Commission on Higher Education has statewide higher education planning responsibilities, final authority on new programs that are outside institutional missions, budget review authority (including a consolidated budget proposal), and responsibility for working with the Board of Education to ensure articulation and collaboration between the two sectors. The Commission also is to be an advocate for higher education. The Presidents' Council makes policy recommendations to the Commission, reviews and makes recommendations to the Commission on programs that alter institutional missions or require substantial additional resources or raise serious questions of duplication, and prepares an overall budget policy statement for the Commission and the governor and legislature.

While the changes proposed by the Governor made more explicit the delegation of responsibility and authority to local governing boards and assigned responsibility for statewide coordination and program approval to the Presidents' Council, among other things, not all of them carried through to the eventual legislation. The original emphasis on decentralization and increased board authority was retained, but planning and program approval authority was not vested in a presidents' council. Rather, a large regulatory department was replaced with a much smaller commission, similar in size, role, and membership to coordinating boards in other states. The Presidents' Council was made advisory and charged to promote voluntary coordination among institutions. In this sense, the New Jersey changes may have had more effect on the Collaboration dimension than on the Functional.

Florida. A 1998 constitutional amendment that was intended to become fully effective in January 2003 eliminated the State Board of Education, which has been the chief education governing body in Florida for the last 150 years. The SBE would have been replaced by the Florida Board of Education, composed of seven members appointed by the governor. In July 2001, enabling statutes applying to the State University Board of Regents, the State Board of Community Colleges, the State Board of Independent Colleges and Universities, the State Board of Non-Public Career Education, and the Postsecondary Education Planning Commission were repealed, and in most cases their authority was transferred to the Florida Board of Education. The staff of the Postsecondary Education Planning Commission were assigned to a new Council for Education Policy Research and Improvement (CEPRI), which was administratively located in the Office of Legislative Services. The CEPRI is composed of five members appointed by the governor and two members each appointed by the speaker of the house and the president of the senate. This new agency is responsible for strategic planning and policy research.

The goals driving these changes were the decentralization of university governance to allow universities more flexibility to adapt to local needs and the changing marketplace and the development of a seamless education system that encompassed all sectors.

In addition to the aforementioned changes, each of the 11 state universities was given its own governing board composed of 12 governor-appointed members, one of whom must be

a student. Among other changes (e.g., student financial assistance is administered by an office in the Department of Education), Florida established a P–20 system. The Articulation Coordinating Committee has responsibility for student transfer and articulation matters between schools, colleges, and universities.

In November 2002, voters in Florida approved a constitutional amendment that undid many of these changes and constitutionally established a new governing board for the public universities. According to the *Chronicle of Higher Education* (November 1, 2002), “[The amendment] will abruptly halt one of the most closely watched reorganizations of university governance attempted by any state in recent years.” The board will be composed of 17 members. Institutions will retain their own boards, but these will have only the powers the Board of Governors delegates to them. Community colleges, which have their own boards of trustees, would not be affected by the change. The relationship of all of this to the P–20 system and the Articulation Coordinating Committee is not clear.

Support for the measure came from the United Faculty of Florida, a union that lost its bargaining rights when the former Board of Regents was abolished. Under the amendment, the state Board of Education will continue, but it will have no authority over the universities. The new Board of Governors, constitutionally vested, is expected to be more powerful than the old Board of Regents, which did not have constitutional authority.

Minnesota. The Minnesota Higher Education Coordinating Board was abolished by the Legislature in 1995 after 30 years of operation. This organization had become encumbered with administrative and program management responsibilities and was no longer a key player in the higher education policy arena. It was replaced with two multi-campus governing boards: the legislatively appointed 12 member Board of Regents for the University of Minnesota, which has constitutional authority for the state’s four public universities, and the 15 member governor-appointed Board of Trustees of the Minnesota State Colleges and Universities. The latter governs the state universities, community colleges, and the former technical colleges. Each board has planning and coordination, institutional budget review, and program approval for the institutions in their sectors.

Many of the coordinating board’s administrative responsibilities were transferred to a new Minnesota Higher Education Services Office. Its duties encompass student financial aid programs, registration and licensure of private colleges and career schools, interstate reciprocity programs, data collection, etc. The Higher Education Services Council (eight citizen members and one student), appointed by the governor, oversees this office, hires the director, and makes recommendations to the governor and legislature.

West Virginia. In 2000, the Legislature eliminated the Board of Trustees of the University System of West Virginia and the Board of Directors of the State College System, replacing them with the West Virginia Higher Education Policy Commission, a coordinating agency composed of nine members, seven of whom are appointed by the governor and two of whom, the Secretary of Education and the State Superintendent of Schools, are *ex-officio*. The Commission is responsible for “developing, gaining consensus around, and overseeing the implementation of a public policy agenda for postsecondary education.” It also administers student financial programs and governs the vocational-technical institutes. It has licensing and approval authority for private degree-granting institutions and proprietary schools.

West Virginia also has a number of advisory organizations for postsecondary education, including the Council for Community and Technical College Education, the Community and Technical College Presidents and Provosts, the Council of Faculty, the Council of Classified Employees, and the Council of Students.

It would be difficult to discern a consistent theme among these changes. Decentralization is a possibility, and references to de-regulation, flexibility, and adaptation were frequent, but frustration also was apparent. Sometimes this was directed at the agency head; sometimes at the organization itself. Sometimes it reflected disgruntlement over bloat, an impression that could form as these organizations assumed more and more program administration functions and acquired staff to manage them. At the time of the Minnesota change, for example, out of an agency staff of some 70 FTEs, only 1.5 could be attributed to the policy and planning component of the agency's role.

While in most cases some replacement state-level planning and policy organization was created (and arrangements had to be made for the continuation of program administration responsibilities, unlike the reorganizations that transpired or might have transpired a few years earlier), the changes were not limited to choices between a statewide coordinating or governing board, on the one hand, or a regulatory or recommending coordinating board, on the other. The changes were distinctive to each state, and a surprising degree of variety is apparent among them. If these are good examples, the days of cookie-cutter solutions appear to have vanished.

APPENDIX E: INTERVIEW INSTRUMENT

THE HIGHER EDUCATION COORDINATING BOARD: REVIEW OF MISSION AND OPERATIONS

CONFIDENTIAL KEY INFORMANT INTERVIEW

Introduction

The Washington State Institute for Public Policy (Institute) has been directed to review the mission and operations of the Higher Education Coordinating Board (HECB) and evaluate its role and current practices in several policy setting areas: evaluation, review, and approval of higher education programs and budgets and administration of financial aid programs.

As part of this study, Institute staff are interviewing key stakeholders and other experts in Washington State. The purpose of the interview is to answer the following question: What key issues should legislators consider regarding the current and future role of the HECB? The interview will focus on your knowledge and views of the purpose and duties of the HECB. **It is completely confidential.** No responses will be individually identified. The attached confidentiality agreement describes the measures that will be taken to ensure confidentiality.

For consistency across interviews, each of the interview topics will be addressed in a common order and level of detail. However, at the end of the interview, you will be able to comment on other topics you view as important to our study.

Some participants may be more familiar with the activities of the HECB than others. Please let us know if you are not familiar enough with a given subject area to answer a specific question.

1. FAMILIARITY WITH THE BOARD

- A. *Please briefly describe your familiarity with the Higher Education Coordinating Board.*

2. REPRESENTING THE BROAD PUBLIC INTEREST

According to statute, the purpose of the HECB is to provide planning, coordination, monitoring, and policy analysis for higher education in cooperation with the institutions and all other segments of postsecondary education. The legislature intends that the HECB represent the broad public interest above the interests of the individual colleges and universities (RCW 28B.80.320).

- A. *Please describe your view of the role and functioning of the HECB in representing the broad public interest.*

3. REGULATORY RESPONSIBILITIES

The HECB has a number of program and regulatory responsibilities (RCW 28B.80.340, RCW 28B.85).

Review, Evaluation, and Approval of Programs. The HECB is to review, evaluate, approve, and make recommendations regarding degree programs at four-year public institutions. The HECB also approves and supervises programs serving those eligible for Veteran Affairs education benefits.

- A. Please describe your view of the role and functioning of the HECB with regard to program review, evaluation, approval, and recommendation.**

Authorization of Degree-Granting Private Institutions. The HECB sets standards for, authorizes, and monitors colleges and universities that offer degree programs or credit-bearing courses in Washington State.

- B. Please describe your view of the role and functioning of the HECB with regard to authorization of degree-granting institutions.**

Off-Campus Facilities, Centers, and Consortia. The HECB is to approve public higher education centers and consortia; purchases and leases of major off-campus facilities; campus service areas; on-campus and off-campus activities and major facilities; and contracts for off-campus educational programs.

- C. Please describe your view of the HECB's role and functioning with regard to approval of off-campus facilities and activities.**

4. ADMINISTRATIVE RESPONSIBILITIES

In addition to its planning, coordination, and regulatory functions, the HECB has a number of administrative responsibilities (RCW 28B.80.360) and other legislative assignments.

Administration of Student Financial Aid Programs. The HECB administers the State Need Grant, State Work Study, Washington Promise Scholarship, Educational Opportunity Grant, Washington Scholars, Washington Award for Vocational Excellence, Future Teachers, Health Professionals Loan Repayment/Scholarship, Western Interstate Commission for Higher Education Student Exchange, Scholarship for Alternative Teaching Certification, and the American Indian Endowed Scholarship.

- A. Please describe your view of the HECB's role and functioning regarding its administration of the state's financial aid programs.**

College Preparation, Grants, and Other Administrative Responsibilities. The HECB administers the Guaranteed Education Tuition (GET), GEAR-UP, Displaced Homemaker, Professional Development Partnership, State Teacher Training Grant, Community Scholarship Matching Grant, Child Care Grant, Distinguished Professors and Graduate Fellowships, and Supplemental College Assistance Migrant Programs. They also maintain the High School Core Course Database.

- B. Please describe your view of the HECB's role and functioning regarding its administration of the programs listed above.**

5. COORDINATION AND PLANNING

State statutes assign a number of planning and coordination duties to the HECB (RCW 28B.80.330, RCW 28B.80.350).

Developing Roles, Objectives and Priorities, and Comprehensive (Master) Planning. Specifically, the HECB is responsible for establishing role and mission statements for institutions; identifying the state's higher education goals, objectives, and priorities; and preparing the comprehensive master plan for higher education in Washington State.

- A. *Please describe your view of the role and functioning of the HECB in developing higher education goals, priorities, and the master plan.***
- B. *In your view, how have HECB master plans influenced state higher education policy?***

Budget Review. The HECB is to review, evaluate, issue guidelines, and make recommendations on operating and capital budget requests from four-year institutions and the community and technical college system.

- C. *Please describe your view of the HECB's role and functioning as it reviews and recommends budgets.***

Make Recommendations to the Legislature. The HECB is directed to recommend legislation affecting higher education, tuition and financial aid levels, mergers or closures of institutions, and the need for new baccalaureate institutions.

- D. *Please describe your view of the HECB's role and functioning regarding its directive to recommend legislation and policy.***

Coordination. In addition to promoting cooperation among institutions of higher education, the HECB is also asked to coordinate the following:

- Admission, transfer, and residency policies;
- Reciprocity agreements with other states;
- Disputes between institutions;
- Compensation for administrative employees and faculty;
- *Compliance monitoring;*
- State systems for collecting, analyzing, and distributing information;
- Performance accountability for institutions;
- The "Gender Equity, Tuition and Fee," and "Cost of Instruction" reports; and
- Efforts to increase minority participation in higher education.

- E. *Please describe your view of the HECB's role and functioning with respect to the other coordinating functions listed above.***
- F. *Please describe your view of the role and functioning of the HECB in promoting cooperation among institutions.***

6. OPERATING ENVIRONMENT AND CHARACTERISTICS OF THE HECB

In addition to its formal statutory authority, external and internal factors can influence the strength and effectiveness of a higher education board.

- External factors include:
 - Legislative and executive branch budget policy or leadership.
 - Regional economic and political differences.

- Internal factors include:
 - Composition of a board and staff.
 - Board or staff focus on policy issues versus regulatory and administrative duties.

- A. *Please comment on the external factors that influence the effectiveness of the HECB.***

- B. *Please comment on the internal factors that influence the effectiveness of the HECB.***

7. GOVERNANCE

- A. *In terms of higher education governance and coordination, what other states provide examples of governance structures that you believe Washington State should examine more closely?***

8. OTHER TOPICS

- A. *Are there any other issues you would like to discuss before concluding the interview?***

Questions?

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