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**System Regulation and Governance: Ireland and the International Context**

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# Introduction

This paper reviews trends in higher system governance and regulation in the 50 states in the United States (US) and relates these trends to developments in Ireland. While there are obvious differences in governmental structure, history, and culture between the US and Ireland, there are clear parallels with Ireland in the issues facing both the US states and universities. The paper concludes with observations about the progress Ireland has made since the 2004 OECD review of higher education in Ireland[[1]](#endnote-1) and identifies lessons from both countries about bringing out long-term systemic reform.[[2]](#footnote-1)

## Definitions

Several terms are used in different ways in Ireland and the US. The term “system governance” can be used to describe the distribution of decision-making authority at each level of a higher education system. For example, a description of the system governance of higher education in a US state would include a delineation of the roles of the governor, state legislature, executive branch agencies, state coordinating boards, system and institutional governing boards.

Nevertheless, the term “system governance” can be confused with the role of “governing systems” in the US. A careful distinction is made in the US between institutional *governance* and system *coordination*. Institutional governance (generally comparable to the role of governing authorities in Ireland) is the responsibility of boards not only at the individual institutional level but also at the level of multi-institution systems. In other words, the system-level governing authority has powers that are commonly found in the governing authorities of individual institutions. This paper uses the term “governing systems” to refer to these entities. The term “coordination” is used to refer to entities similar to the Higher Education Authority of Ireland (HEA) that have statewide responsibilities for coordinating the higher education system but that do not have the authority to govern and manage institutions.

The term “policy leadership” is used to refer to the developing role of state-level entities similar to the HEA in which the focus has shifted from coordinating and regulating higher education institutions to leading a long-term strategy to link the system to the future of the state.[[3]](#endnote-2) Balance between institutional autonomy and accountability to the state and broader society enters as an important consideration with such developments.

“Autonomy” is a multi-dimensional concept. The European University Association’s 2007 Lisbon Declaration[[4]](#endnote-3) defines autonomy to include:

* Academic autonomy (deciding on degree supply, curriculum and methods of teaching, deciding on areas, scope, aims and methods of research);
* Financial autonomy (acquiring and allocating funding, deciding on tuition fees, accumulating surplus);
* Organisational autonomy (setting university structures and statutes, making contracts, electing decision-making bodies and persons);
* Staffing autonomy (responsibility for recruitment, salaries and promotions).

This paper distinguishes between “substantive autonomy” and “procedural autonomy,” terms used by Robert Berdahl, author of one of the early comprehensive reviews of state higher education coordination in the US.[[5]](#endnote-4) Substantive autonomy refers to the extent of the authority of institutions to determine their missions, goals, academic programs, and the students they intend to serve, and other “ends.” Substantive autonomy encompasses “academic autonomy” as defined by the EUA. Procedural autonomy refers to the authority of institutions in essentially non-academic areas such as budgeting, financial management, non-academic staff, purchasing or entering into contracts—encompassing the other three EUA dimensions of autonomy.

Debates about sustainability commonly focus on how limitations in procedural autonomy constrain the ability of university leaders to manage their institutions in the face of competitive and economic pressures. It is in debates related to performance and public accountability that issues of substantive autonomy most often arise.

## Autonomy and the public interest

For some within higher education, even the mention of state government or system governance and regulation conjures up negative images. There continues to be a widespread sense within many parts of the academy that virtually any state involvement, other than providing funding with no strings attached, is an infringement on legitimate institutional autonomy. The relationships are viewed along a continuum: at one end, complete institutional autonomy is good; at the other end, state involvement is seen as bad. The late Frank Newman, former president of the University of Rhode Island and widely respected commentator on university reform, suggested a different, more constructive view: Both institutional autonomy and state involvement are important. Governments have a legitimate interest in the responsiveness of the academy to major societal needs. At the same time, it is important, both for society and the academy, that higher education be able to pursue values and purposes that are different from, and in some cases may conflict with, the prevailing values and priorities of the state. "What becomes clear," Newman stated, "is that the real need is not simply for more autonomy but for a relationship between the university and the state that is constructive for both, built up over a long period of time by careful attention on the part of all parties."[[6]](#endnote-5), [[7]](#endnote-6)

# System governance and regulation in the United States compared to Ireland

International observers often perceive the US higher education system, with its complex network of private not-for-profit (independent), public, and for-profit institutions, as having a comparatively high degree of autonomy on the four dimensions outlined in the European University Association’s 2007 Lisbon Declaration. Their impressions are often gained from contacts with major private research universities such as Harvard or Stanford.

Nevertheless, a closer look at the regulation and governance of US public institutions[[8]](#footnote-2) reveals a different picture. These institutions enroll 72% of all students and include 29 of the 52 major US research universities that are among the top universities in the world according to the Shanghai Ranking[[9]](#endnote-7)[[10]](#endnote-8) These institutions operate within a complex framework of system governance and regulation. Historically, US public institutions have enjoyed considerable substantive autonomy while being subject to varying degrees of procedural regulatory controls. With greater demands for accountability for performance in relationship to public priorities, however, the trend has been for universities to yield some substantive autonomy in exchange for greater procedural autonomy.

According to the European University Association’s ranking of university autonomy among European Union (EU) countries, Irish Universities are among the most autonomous in Europe on the four dimensions. In several respects, Irish universities have greater autonomy than US public institutions-- especially in academic and organizational autonomy. The provisions of the 1997 University Act are particularly noteworthy:

**14.**—(1) A university, in performing its functions shall—(*a*) have the right and responsibility to preserve and promote the traditional principles of academic freedom in the conduct of its internal and external affairs, and (*b*) be entitled to regulate its affairs in accordance with its independent ethos and traditions and the traditional principles of academic freedom, and in doing so it shall have regard to—(i) the promotion and preservation of equality of opportunity and access, (ii) the effective and efficient use of resources, and (iii) its obligations as to public accountability, and if, in the interpretation of this Act, there is a doubt regarding the meaning of any provision, a construction that would promote that ethos and those traditions and principles shall be preferred to a construction that would not so promote.[[11]](#endnote-9)

Notwithstanding the language of the Universities Act, Irish universities operate within a framework of system governance and regulation. As in the US, tensions inevitably arise when, as emphasized by the quotation from Frank Newman, governments have a legitimate interest in the responsiveness of the academy to major societal needs. Both the US and Ireland are working through the challenge of developing constructive relationships between the academy and society within their unique contexts. They can learn from their experiences in this difficult process.

## Overall governmental structure

The US has a federal system of government. Both the federal government and the states play important roles in higher education. However, it is the states that charter or license all higher education institutions, public and private, and establish, govern, and directly subsidize public institutions. The federal government is the major funder of research and student financial aid. It regulates institutions on a wide range of issues related to research, student financial aid, consumer protection, environmental protection and other matters. Nevertheless, the federal government does not operate or directly subsidize public institutions (except for a few specialized institutions such as the military academies).

While certainly not a “federal system,” the European Union increasingly performs functions similar to the US federal government that affect higher education. Among these functions are establishing a strategic framework such as the Lisbon Strategy, providing competitive-awarded research funding, establishing policies and regulations that relate to student and labor market mobility, and other issues between and among member states consistent with the principle of subsidiarity.

It is primarily at the state level in the US that the main issues regarding regulation and governance of higher education arise. The states can provide a useful basis for comparison with Ireland.[[12]](#footnote-3)

In contrast to Ireland with its parliamentary system of government in which the prime minister (Taoiseach) is also a member of the legislature ([Oireachtas](http://en.wikipedia.org/wiki/Oireachtas" \o "Oireachtas)), the US has a “presidential” system of government in which the president is head of the executive branch and there are constitutional requirements for separation of powers between the president, the legislative branch, (the Congress), and the judiciary. The same form of government exists at the state level: the Governor is head of the executive branch and there are state constitutional requirements for separation of powers between the governor and state legislature. The governor proposes budgets and laws, but it is the state legislature that makes the ultimate decisions on taxes, appropriation of state funds, and enactment of laws, subject to the governor’s veto.

## Relationships between government and higher education

There are also substantial differences among the states in the extent of university autonomy, in modes of governance, and in the roles that state governments play in system leadership, coordination and regulation. The extent of regulatory control varies greatly depending on the legal status of the universities as summarized in Figure 1.

Figure 1. Levels of State Control and Institutional Legal Status: United States

|  |  |  |
| --- | --- | --- |
| **High Regulatory Control**  **Low Regulatory Control** | A. Institution as State Agency | Higher education institutions are treated in a manner similar to other state agencies such as the transportation/highway department |
| B. State-Controlled Institution | The distinctiveness of higher education institutions from other state agencies is recognized, but most of the budget and financing policies applied to other state agencies are also applied to tertiary education |
| C. State-Aided Institution | Higher education institutions have a legal status according them substantial autonomy from state government. State provides base, categorical, and capital funding but with expectation of substantial non-state funding (tuition, private giving, etc.). |
| D. Corporate Model for Institutional Governance | As in model C, institutions have a legal status (e.g., public corporation) according them substantial autonomy. The expectation of state funding is less certain and may be allocated not in grants to the institution but in the form of vouchers or grants to students to offset tuition charges |

All public universities, whether within a governing system or not, function within the framework of overall state policy established by the state governor and legislature. The US has a long tradition of an arms-length relationship between the state political leadership and higher education. Nevertheless, the governor and state legislature have broad powers primarily through the governor’s appointing authority and the state budget process. Despite long-standing efforts to increase autonomy, the majority of public universities in the US continue to have a legal status as either state agencies or state-aided institutions which operate within a relatively centralized state regulatory framework. As summarized later in this paper, progress toward deregulation has been incremental and uneven across the 50 states.

## System and institutional governance

The current US state coordinating, regulating, and governing structures had their origins primarily in the period from 1950 to 1970. They served as a means to address the challenges of extraordinary enrollment growth and the shift from elite to a mass higher education system. Each state’s structures and policies, much like those of countries, evolved from a unique context—history, legal structure, culture.

The current structures in Ireland obviously evolved from a different context. The major changes, however, occurred concurrently with those in the US beginning with the early reforms in the 1960s leading eventually to the enactment of the 1997 Universities Act and the changes related to the Institutes of Technology in 2006.[[13]](#endnote-10)

### Governing authorities

All public universities in the US operate under the authority of a governing board (commonly named board of regents or board of trustees), a form of governance modeled after private non-for-profit colleges and universities. Governing boards, whether for a single public institution such as the University of Virginia or for a system (such as the Board of Regents of the University of California or the Board of Regents for the University of Wisconsin System), have certain basic powers:

* Governing a single corporate entity, including all the rights and responsibilities of that corporation as defined by state law.
* Appointing, setting the compensation for, and evaluating both system and institutional chief executives.
* Strategic planning, budgeting (operating and capital), and allocating resources between and among the institutions within the board’s jurisdiction.
* Ensuring public accountability for effective and efficient use of resources to achieve institutional missions.
* Maintaining the institution’s assets (human, programmatic and physical) and ensuring alignment of these assets with institutional mission.
* Developing and implementing policy on a wide range of institutional concerns (e.g., academic and student affairs policies) without approval of external agencies or authorities.
* Awarding academic degrees.
* Advocating for the needs of the institutions under the board’s jurisdiction to the legislature and governor.
* Establishing faculty and other personnel policies, including approving awarding of tenure and serving as the final point of appeal on personnel grievances.

These powers are roughly comparable to those of governing authorities of Irish universities are outlined in the Universities Act, 1997.[[14]](#endnote-11) Irish university governing authorities, however, differ in several significant ways from US public university boards.

* US boards commonly have from 11 to 15 members with a few as large as 21members. In contrast, Irish governing authorities range from 27 to 40 members.
* US boards are most often comprised primarily of external members. In contrast, Irish governing authorities are comprised of both internal and external members. In two cases, the authorities have a small majority of external members. In the remaining cases, internal members are the majority. Trinity College Dublin has only two external members in a 27 member board.
* US boards are appointed by external political leaders while Irish governing authorities are largely determined by the governing authority itself or by internal university governing processes. US boards are generally appointed by the state governor and confirmed by the upper body (senate) of the state legislature. In three states, board members are elected through a vote of the state’s citizens. In two states, board members are elected by the state legislature. In contrast, members of Irish governing authorities are generally elected from internal bodies, determined by designated positions as defined by the Universities Act, 1997 (e.g., the Lord Mayor of Cork for University College Cork), or appointed by the governing authority from persons nominated by external sources. The Minister nominates members but the final decisions on appointments are made by the governing authority. In three states (Alabama, California, and Tennessee), the Governor chairs the university board. In Ireland, the Minister does not chair any board and has a voice in university governance only through nomination of members who are then appointed by the governing authorities.
* In the US, there is a separation between internal institutional governance (e.g., the institution’s chief officer (president), faculty and student senates) and external governance. Governing boards commonly have only one or two academic staff (faculty) and student representatives are elected by internal bodies. Institutional chief officers occasionally serve as non-voting *ex officio* board members. In contrast, Irish governing authorities have direct links to internal governing structures through designated positions on the board as defined in the Universities Act, 1997.
* US governing boards appoint, evaluate, and set the compensation of the university’s chief executive after extensive search processes involving internal stakeholders. Candidates are sought from national, if not international, search processes. In Ireland, the role of the governing authorities in appointing chief executive officers involving external candidates is a comparatively recent development. Following traditions dating back to 1592, the provost of Trinity College Dublin is elected by internal stakeholders.[[15]](#endnote-12)

### Consolidation and the establishment of systems

In the US, the 1950s and 1960s were years of major consolidation of public higher education governance and the establishment of new system coordinating and regulatory schemes. These changes were intended to ensure orderly system development in the face of intense regional competition and political and institutional pressures to develop new campuses and high-cost graduate and professional programs. Developing metropolitan areas used their political leverage to develop new campuses which threatened the status and funding of long-established public universities. Former secondary vocational/technical institutions sought to grant postsecondary degrees. New community college systems threatened to draw students and resources away from regional universities. Former teachers’ colleges sought to expand their missions by developing master’s degree and doctoral programs that could potentially duplicate and compete with the major state universities. In this context, states developed new consolidated governing systems and state coordinating agencies.

California Master Plan

The most famous statewide framework for coordination and governance is the California Master Plan of 1960. The Master Plan established the three major systems (called segments in California), each encompassing multiple institutions: the University of California (UC), the California State University (CSU), and the California Community College System (CCCS). Each segment has a distinct mission with clear differences in admissions requirements and the level of degree programs: open access community colleges offering associate degree programs, CSU campuses offering bachelors and master’s degree programs, and University of California campuses offering highly selected bachelors, master’s and doctoral programs at the. The Master Plan’s intent was that students would have clear transfer pathways through the system from the community colleges to UC or CSU. The Master Plan also established the California Higher Education Coordinating Council (subsequently renamed the California Postsecondary Education Commission), to ensure overall coordination of the system, including the three public segments as well as the state’s private (independent) colleges and universities such as Stanford and the University of Southern California. Despite the often-cited lofty goals of the Master Plan, Clark Kerr, the principal architect, always made clear that it was ultimately a “treaty” to curb destructive competition and unnecessary duplication fueled by the political and economic competition among the state’s regions.

For more information see: http://sunsite.berkeley.edu/UCHistory/archives\_exhibits/masterplan/post1960.html

By the mid-1970s, all but three states (Michigan, Delaware, and Vermont), had established structures for statewide coordination of their public higher education systems. These structures took either of two basic forms: Approximately half the states consolidated most if not all their public universities within two or more statewide governing systems (systems with institutional governing responsibilities). The remaining states (as described below) established coordinating boards with statewide planning and oversight responsibilities but without institutional governing authority.[[16]](#endnote-13)

In governing systems, many of the powers that are commonly found in an institution-level governing authority as summarized above are assigned to the system governing board. For example, the institutional presidents are appointed by the system board.

Functions of US Multicampus Systems

D. Bruce Johnstone, former chancellor of the State University of New York, outlines the following functions of multicampus systems:

1. To determine, reaffirm, and occasionally alter the mission of the system and of constituent campuses.

2. To appoint, nurture, evaluate, and if necessary remove the chief executive officer (chancellor or president) of the system and of the constituent campuses or institutions.

3. To advocate to the legislature, governor, and other key opinion leaders and patrons the needs of the system.

4. To advocate to the constituent campuses the needs of the state.

5. To allocate operating and capital resources and missions to the respective constituent institutions and missions.

 6. To provide liaison between the executive and legislative offices of state government and the member campuses.

7. To mediate disputes over programs and missions among constituent Institutions.

8. To foster cooperation among campuses that can both cut costs and enlarge options for students.

9. To audit and otherwise assess the stewardship of resources, including the assessment of academic programs.

10. To foster consolidation of those activities that can be done more cost-effectively on a system-wide or consolidated basis.

In practice, governing systems delegate authority and responsibility to the institution or campus level chief executive (the titles usually used are either president or chancellor) and some systems provide for campus-level advisory boards. Major decisions such as the appointment of campus chief executive and academic officers are made with extensive involvement of campus-level stakeholders, especially faculty senates and student organizations. Nevertheless, the final authority on key decisions rests with the system governing board.

Governing systems vary significantly in the extent to which they grant academic, financial, organizational and staffing autonomy to individual campuses. Some systems are composed of largely autonomous institutions with a system staff carrying out basic financial and legal functions necessary to support the system governing board. Other systems are highly integrated with the system leadership carrying out a broad range of functions: academic planning, systemwide information systems, finance and budgeting functions, and the operation of complex shared-services functions. Systems also vary in the extent to which academic staff/faculty are engaged in system-level decision-making. Some systems have strong traditions of shared governance (e.g., system-level faculty senates), while others engage faculty primarily at the campus-level. A number of systems have systemwide collective bargaining for faculty and non-academic staff through which basic conditions for appointment, termination, salary-levels and faculty workloads are negotiated at the system level, not at each individual campus.

### Development of statewide coordinating boards

Parallel to the development of new governing systems in the 1960s and 1970s, approximately one-half of the US states established statewide coordinating boards. The early boards were modeled to a degree on the British University Grants Committee to provide an entity with an arms-length relationship to government that could allocate public resources among institutions in a fair, objective manner somewhat insulated from political intrusion.[[17]](#endnote-14) In contrast to multi-institution governing systems, statewide coordinating boards have no authority to govern and manage institutions. In other words, they have no authority to carry out key governing functions summarized above such as appointing campus chief executives, overseeing employment conditions and salaries of university staff, granting degrees, approving internal academic policy, or ensuring the institutional viability and sustainability. The powers assigned to coordinating boards when the first developed included:

* Developing a master plan for development of the system, including academic and facilities planning
* Approving institutional missions and ensuring mission differentiation
* Reviewing and approving new academic programs
* Reviewing institutional budgets and requests for state funding for operations and capital (facilities and equipment) and making budget recommendations to the governor and state legislature.
* Developing funding formulas for allocation of state appropriations among institutions
* Maintaining statewide data/information systems
* Advising the governor and state legislature on higher education issues (conducting studies and making recommendations on issues such as the overall size and shape of the system, and proposals to develop new institutions or new high-cost professional programs in medicine, dentistry, law and engineering.

A basic rationale for statewide coordinating agencies was - and continues to be - that there needs to be an entity with a degree of independence from state political leadership (the governor and state legislature), on the one hand, and the institutions, on the other, with the capacity for:

* Taking a long-term, objective view of the needs of the state and the higher education system as a whole, and providing a source of objective analysis and advice to the Governor and State Legislature on critical issues facing the state;
* Advocating for the higher education system as a whole, not for individual institutional interests;
* Avoiding inappropriate political intrusion in decision-making about state appropriations, new programs, campuses, and facilities;
* Providing a means outside the political process of the state legislature to resolve differences among institutions on issues such as mission, funding, and academic program development;
* Maintaining a balance between institutional autonomy, on one hand, and the need for system coordination and public accountability, on the other.

Statewide coordinating boards tend to exist in states that either kept a degree of decentralization in university governance (retained governing boards for individual universities) or have complex patterns of system and institutional governance. Examples include the states of Colorado, Kentucky, Illinois, Indiana, Ohio, Virginia, and Washington State.

States that organize their higher education systems under two or more system and institutional boards often do not have a public intermediary entity between the state government and the governing boards that is charged with coordination of the system as a whole. Consequently, these states have no venue with a degree of independence from the political leadership and institutional interests for developing long-term strategic goals for the whole system, for advising the government on overall strategic finance policy to meet these goals, or for carrying out other functions such as maintaining data/information systems that cut-across all higher education sectors.[[18]](#footnote-4)

Over the past 50 years, Ireland has debated a number of alternatives for system and institutional governance. With the enactment of the 1997 Universities Act, Ireland moved away from alternatives for consolidated multi-institutional governing systems comparable to those in the US. Instead, Ireland decentralized institutional governance within the framework of overall system coordination and oversight by the Higher Education Authority (HEA).[[19]](#endnote-15) In this respect, Ireland’s current structure is more comparable to the Commonwealth of Virginia with its relatively decentralized institutional governance within the framework of statewide coordination than it is to states such as California, North Carolina or Wisconsin which have large, multi-institutional governing systems.

The origins of the Irish HEA when established in 1968 are similar to those that led to the establishment of US statewide coordinating boards. The HEA’s functions are similar to those of the US boards. The HEA serves as an intermediary body between Ministry and institutions with a degree of independence from the Government. The HEA:

* Coordinates and oversees the higher education system in a manner similar to most US state coordinating boards.
* Advises the Minister of Education and Skills and the Government of Ireland on higher education policy with the final decisions on policy being made by the Government as is the case in US states.
* Allocates funding among public institutions. In the US, many statewide coordinating boards and system governing boards develop funding formulas and other policies for allocation of funds among institutions. In some cases, these allocations are made directly by the government based on a formula recommended by the coordinating entity.
* Leads system-wide initiatives such as the Landscape process and Strategic Dialogue and the implementation of initiatives that cut across sectors and institutions.
* Emphasizes respect for and support of institutional autonomy and does not have authority to govern institutions.
* Implements regulations established by statutory or administrative rules in a manner similar to many US coordinating boards.

There is an important difference between the HEA and US coordinating boards. The HEA does not have authority to review and approve university proposals for new academic programs/courses. In contrast, many US coordinating boards have authority to review new academic programs for both quality and potential unnecessary duplication of other institutions’ programs/courses. Some state boards also have authority to review the cost-effectiveness of existing academic programs and, in some cases, mandate program closure.

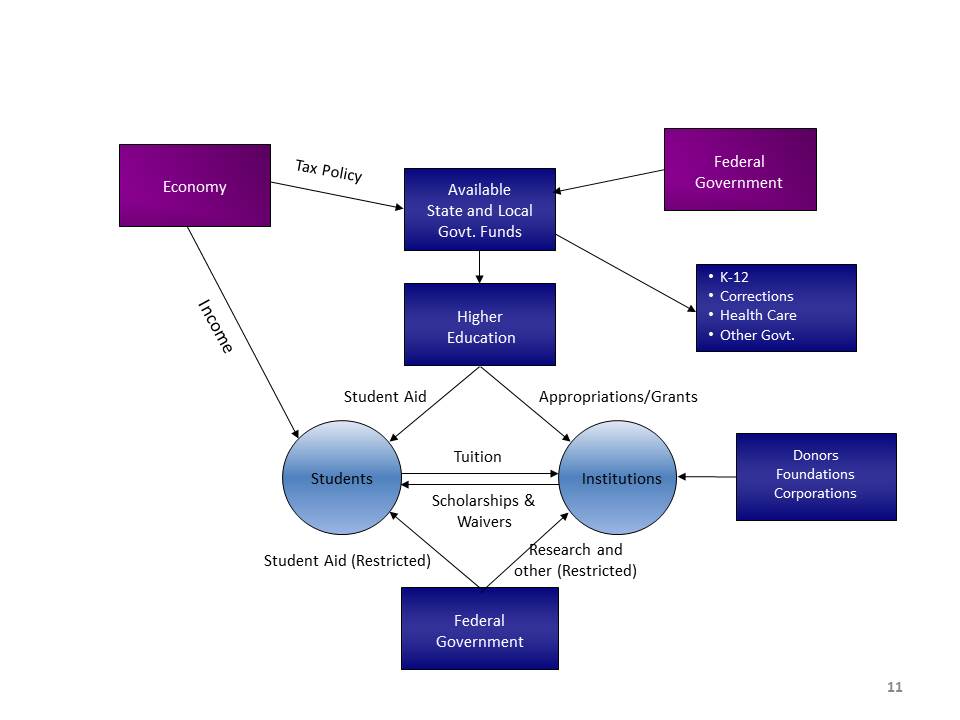
## Procedural regulation by non-higher education governmental agencies

In the US, the Governor and state legislature and state executive branch agencies responsible for the budget and functions such as procurement, capital (facilities) development, human resources, and legal affairs have substantial regulatory authority that affects public higher education institutions. In this respect, the *procedural autonomy* of these institutions is restricted in several important ways. While the details differ, Irish universities are subject to many of same limitations in procedural autonomy.

### Finance policy and budget

The state executive departments for finance and budget development (roughly comparable to the Ministries of Finance and Public Expenditure and Reform in Ireland) and the legislative committees responsible for appropriations play a dominant role in determining the share of the state budget to be appropriated for higher education purposes and other finance policy oversight. Higher education regulations are often embedded within the budget and state appropriations to institutions. As depicted in figure 2, the flow of funds to support higher education is a complex process involving multiple sources and multiple decision points.

Figure 2. Elements of finance policy



Source: Jones, Dennis P. NCHEMS

The key state or system-level decisions regarding financing public higher education relate to:

* State appropriations or grants to public institutions;
* Tuition and fees;
* Student financial aid.

Among other points, it could be expected that state finance policy would:

* Frame funding decisions by clear state goals;
* Ensure that the decisions regarding state appropriations, tuition and fees, and student financial aid are synchronized. For example, if an appropriations decrease required an increase in tuition and fees, the state would ensure that adequate funding for student finance aid be available so as to maintain the state’s commitment to affordable access for low-income students;
* Recognize that both students and institutions need a degree of predictability in financing:
* For students and families as they plan to pay for tuition, living and other costs;
* For institutions to carry out their teaching and research missions (e.g., academic programs and faculty must be in place as students begin the academic year);

The reality is that decisions regarding state appropriations, tuition and fees, and student financial aid are often:

* Not made with reference to state goals;
* Not coordinated or synchronized, and
* Made by different policy-makers on different schedules.

To complicate matters even further, state decisions on funding for research are often made in economic development budgets while decisions regarding funding of workforce training are made in still another arena.

### Volatility in state financing

In many states, especially those in which public institutions have the legal status of state agencies, state budget offices and legislative appropriations committees consider state appropriations and, in some cases, tuition revenues, as being available to meet budget short-falls during the fiscal year, or to balance the overall state budget. The state budget office may withdraw previously appropriated funds (in some cases including tuition revenue) from the institutions’ budgets in mid-year and allocate them for other state purposes (e.g., funding mandates for healthcare). In a current controversy, a state’s governor and legislature are questioning why the state university system should maintain reserves (unexpended funds carried over from previous years that the university retains to ensure a degree of budget stability). These decisions are rarely made in a manner that takes into consideration the interrelationships between state appropriations, tuition, and student financial aid. They are not made in a manner that considers the impact on the capacity of institutional leaders (governing authorities and presidents) to make strategic, multi-year decisions or to realign institutional resources as necessary to ensure that academic staff are available for students and that the momentum on research projects continues.

### Regulation of tuition and fees

The most contentious state regulatory role related to public institutions is in the authority and process for setting tuition and fees and the authority to spend tuition revenue. The tuition-setting process commonly involves multiple levels of decision-making. The variations across the 50-states defy easy generalizations. While the final authority to set tuition and fees may rest with a public university governing board, either for an individual university or governing system, the governor and state legislature commonly have a powerful influence on the final decision.

For example, in nine states, the state legislature has final decision-making authority for university-level tuition; in another 16 states, the state legislature has an informal, consultative role. In practice, the political pressures to contain the rise in tuition for state residents dominate the decision-making process at all levels.

Many states also regulate the expenditure of revenue generated from tuition. In the most restrictive cases, the state constitution requires that all non-state revenue generated by state agencies, including universities, be deposited in the state treasury and then expended only through action of the state legislature. Because tuition revenue is categorized as non-state revenue, the legislature in these states can—and often has—not only established a range of limits such as those mentioned above but also expends these funds for non-higher education purposes in the process of balancing the overall state budget, as described above.[[20]](#endnote-16)

The 2004 OECD review noted several concerns regarding budget and finance policy similar to those experienced in the US. Finance issues are beyond the scope of this paper. Nevertheless, the lack of a national and system-level organizational capacity to shape sound strategic finance policy as summarized above for the US can have a significant impact on the future of the Irish higher education.

### Regulation by other non-higher education state agencies

Other non-higher executive branch departments, especially in states in which public universities have a legal status as state agencies, regulate functions that are central to institutional governance and management. The most common regulations relate to:

* Procurement: requirements that purchases above certain minimum levels be approved by and be handled through the state government purchasing department;
* Capital planning and construction: requirements that all buildings constructed with state financing be managed through a central state department for all state government;
* Human resources: University staff, especially those funded with state appropriations, are state employees, are accorded civil service protections, and are included within the state’s pension and health plans. The state controls the number of state-funded positions and state agencies control other dimensions of university human resource policy.

The extent to which states grant public institutions autonomy on these procedural matters varies depending on the legal status summarized in Figure 1. The extent of direct state regulation is not related to the degree of centralization in the state’s higher education governance. Large multicampus systems such the University of North Carolina, the University of Wisconsin System, and the State University of New York, as well as the public universities with individual governing boards like Virginia, are subject to some of the most stringent state procedural controls in the country.

Over the years, states have delegated many responsibilities to systems and institutions. However, the ultimate controls, especially on issues related to tuition and fees, remain with the state government (and often the state legislature). As noted later in the paper, states have periodically recentralized control in these areas during severe budget crises.

In summary, both the US and Ireland have traditions of institutional autonomy within an overall framework of system coordination and oversight. The challenge for both countries is to find the modes of system governance and regulation that ensure the appropriate balance between institutional autonomy, on one hand, and accountability for performance in line with state and national priorities, on the other.

# Changing state role in the US

Changes in the state role over the past 25 years are roughly analogous to changes throughout the world. [[21]](#endnote-17) These changes are summarized in figure 3.

Figure 3. Changing assumptions regarding the state role in higher education

|  |  |
| --- | --- |
| From: | To: |
| State plans for the higher education system with goals framed in terms of internal issues to improve access and quality, and to develop capacity in terms of faculty, facilities and equipment. | Long-range strategic plans with goals framed in terms of increasing the higher education-level educational attainment of the population and linking higher education to the state’s future economic competitiveness and quality of life. |
| Centralized control and regulation and limited institutional autonomy. | Steering “at a distance”: emphasizing policy leadership by setting long term goals (a “Public Agenda,” decentralized institutional governance and using finance policy (e.g., performance funding) to ensure that institutions respond to the Public Agenda public priorities. |
| Funding of public institutions to build and maintain capacity.    Resource allocation based on inputs and cost-reimbursement. | Funding of institutions based on outcomes linked to state goals – Entering the market in the public interest  Subsidy of students through student grants. |
| Quality assurance related primarily to public institutions (mainly in-country/state). | Quality assurance related to multiple providers (public and private, cross-border, open/distance learning, etc.) |
| Accountability based on inputs. | Accountability based on outcomes/performance and evidence of cost-effective and efficient utilization of resources |

The transition of states to new modes as reflected in the right-hand column of figure 3 varies across the country. Some states have moved aggressively to new approaches while others continue to pursue system governance and regulatory practices more appropriate for an earlier time.

## Major tensions in state-higher education relations

Tensions among four conflicting pressures are behind most of the state-level political controversies regarding higher education regulation and governance over the past quarter century.

* Sharp declines in state funding of higher education
* **State reforms aimed at developing a long-term “public agenda.”** These reforms link higher education to the state’s future: the knowledge and skills of the workforce and the economic competitiveness and quality of life of the state and its regions. Maintaining a public higher education system that is affordable for state residents and state government is an overriding priority.
* **University strategies to ensure sustainability in an increasingly competitive environment**. These strategies are fueled in part by the need to generate non-state revenue in order to replace significant reductions in state appropriations. In the search for revenue, however, universities are implementing policies that draw them away from serving the states in which they are located. These include institutional campaigns to enhance prestige and brand identity by becoming “world class” thus climbing in national and global rankings; competing for tuition-paying students in the nationwide and global markets, and pursuing other revenue-generating activities often inconsistent with the institution’s historic mission to the state. As the state share of funding has decreased, its leverage on public higher education to address state priorities decreases, putting at risk the capacity to serve low and middle-income students and the growing minority populations.
* **Initiatives to provide regulatory relief and increase institutional management flexibility.** These initiatives focus on granting institutions greater procedural autonomy for commitments to meet state performance requirements.
* **Counter political pressures for re-regulation**. Often new laws and regulations result from frustrations with the perceived lack of responsiveness of state universities to public priorities. Affordability and access of state residents to in-state public universities are often the top concerns. Also at play, however, are frustrations with the perceived inability of public higher education to contain costs and reform its basic business model by improving graduation rates, reforming faculty promotion and tenure policies, developing more cost-effective modes of delivery, and making greater use of technology.

## State funding for public institutions

### Long-term trend

As countries have moved from elite to mass higher education systems, public funding has not kept pace with enrollment increases (figure 4). The share of funding from the state has decreased and the share borne by students/families has increased. Increasingly costs are being shifted to future generations through loan and other payment schemes.

The changes in the state role have coincided with a steady decline in the share of state funding for public institutions. Meanwhile, funding shifted to other sources, primarily students and families. In the ten-year period from 1987 to 2012, state funding increased slightly (2%), but that state funding failed to keep pace with enrollment growth. While full-time enrollment increased 62%, state appropriations per full-time equivalent student decreased by 30% and state funding per $1,000 in personal income decreased 37%. The share of the overall state budget allocated to higher education decreased by 16%. (Figure 4)

These trends do not necessarily mean that state leaders believe that higher education was less important to the state’s future. In fact, as noted below, state leaders increasingly recognize that higher education is critical to the state’s future economic competitiveness. Nevertheless, decreases in higher education funding resulted from other realities in the state budget process. These included (1) significant increases in mandatory non-discretionary funding increases for health, primary and secondary education, and other state obligations; (2) slow growth in overall state revenues as a result of periods of recession and a taxpayer resistance to tax increases. States generally treat funding for public higher education as discretionary. It is also one of only a few state government functions that have alternative revenue sources (primarily tuition in the case of higher education). In difficult economic times, governors and state legislators often cut higher education funding more than other mandatory state functions. Conversely, in periods of economic recovery, public higher education increases tend to out-pace other items in the state budget. Ironically, public institutions often experience enrollment increases in periods of economic downturn at the same time that their state funding is cut.

Figure 4. Enrollment growth and state funding of public higher education institutions: 25-Year (inflation-adjusted dollars). \*

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1987 | 2012 | Percent Change |
| Aggregate state funding for public higher education. | $67.9 billion | $69.3 billion | +2% |
| Full-time student enrollment. | 7.1 million | 11.5 million | 62% |
| State appropriations per full-time equivalent student. | $8, 497 | $5, 906 | -30% |
| State funding per $1,000 of personal income. | $9.31 | $5.89 | -37% |
| State higher education spending as a share of the states’ general fund budgets. | 12.3% | 10.3%\*\* | -16% |

\*Both 1987 and 2012 figures adjusted utilizing the Higher Education Cost Adjustment. (2) \*\* Fiscal 2011 figure.

Sources: State Higher Education Executive Officers, Pell Institute for the Study of Higher Education, National Association of State Budget Officers as published by the American Association of State Colleges and Universities (2013*). Creating a New Compact Between States and Public Higher Education*. Washington, D.C., p. 11. Retrieved at: <http://www.aascu.org/policy/P5/newcompact/fullreport.pdf>

These trends in state funding have resulted in a major shift in funding of public higher education from the state appropriations to student tuition. From 1988 to 2013, the share of funding per full-time student from state appropriations decreased from 76% to 53%, and the student share increased from 24% to 47% (figure 4).

Figure 5. Change in student share of financing public higher education, United States, 1988 to 2013\*

\*Constant 2013 dollars adjusted by SHEEO Higher Education Cost Adjustment. Educational Appropriations include ARRA funds. (HECA)

Source: State Higher Education Executive Officers. Public FTE Enrollment, Educational Appropriations and Total Educational Revenue per FTE, United States -- Fiscal Years 1988-2013. Retrieved at: http://www.sheeo.org/resources/publications/shef-%E2%80%94-state-higher-education-finance-fy13

### Impact of the economic crisis: sharp drop in state funding

State support for higher education took a major hit in the period from 2008 through 2013 (figure 5). As the economy improves, some states are increasing higher education funding, but the recovery is slow and few predict that funding will return to pre-recession levels. In a number of states, a significant proportion of any increased funding is going to pay down unfunded liabilities for state pension plans and to pay for escalating healthcare costs.

Figure 6. Percent Change by State, Fiscal 2008-2013

Source: State Higher Education Executives (2013). State Higher Education Finance, FY 2013, Figure 8, p. 20. Retrieved at: http://www.sheeo.org/sites/default/files/publications/SHEF\_FY13\_04292014.pdf

The economic crisis and the slow recovery from the Great Recession dramatically upped the stakes for change and increased and further aggravated the tensions in state-higher education relations.

## Public agenda reforms

Fundamental to the changing state role is a shift from coordinating and overseeing higher education institutions to a more strategic role of aligning the system with broader state goals. Public agenda reforms, led by major foundations and public advocacy organizations such as the National Center for Public Policy and Higher Education,[[22]](#endnote-18) stress:

* Developing long-term state goals to:
* Narrow gaps in access, participation, completion between the state’s majority and minority populations
* Maintain affordability, and
* Link higher education to the state’s future environment for innovation and economic competitiveness
* Realigning the size and shape of the higher education system to meet these goals
* Reforming state financing policy through coordinated action on state appropriations, tuition policy, and student financial aid

In the late 1990s, Kentucky and Texas were among the first states to undertake “public agenda” reforms. These states adopted long-range goals linking higher education to each state’s future economic competitiveness.

Key Points in Kentucky and Texas Public Agenda Reforms

The overall goal of the Kentucky Postsecondary Education Improvement Act of 1997 was to increase the state’s per capita personal income to the national average. The principal means to achieve that goal were to develop a new community and technical college system, strengthen the quality of the state’s regional universities, and make the state university one of the top 20 research universities in the US by 2020.

The Kentucky reforms also fundamentally changed the mission and functions of the state’s higher education coordinating board, an entity not unlike the Higher Education Authority of Ireland. Before 1997, the board concentrated primarily on coordinating and regulating the state’s public institutions, each of which has its own governing board. After 1997, the new Council on Postsecondary Education focused on providing policy leadership for the system: sustaining momentum toward the state’s goals, the state’s ‘Strategic Agenda’. The state established investment funds to reward institutions for changes consistent with the Strategic Agenda. The Council changed its accountability requirements from the previous emphasis on issues internal to higher education institutions, to a new emphasis on holding the relatively autonomous public colleges and universities accountable to their contributions to the Strategic Agenda. As a consequence of these changes, the Council shifted from coordinating and regulating public institutions to providing strategic policy leadership for the system. Since 1997, the Council has been a major force for sustaining attention to the Strategic Agenda, despite changes in the state’s governors and legislative leadership.

The underlying rationale of the Texas plan was that if the state failed to narrow the gaps, it would experience a long-term decline in per capita income and economic competitiveness. The state’s higher education board, the Texas Higher Education Coordinating Board, has kept the state focused on *Closing the Gaps* over the 15 years since the plan was originally adopted and is now in the process of shaping new goals for 2030. As in Kentucky, the coordinating board’s role has changed from primarily attempting to regulate the state’s public institutions and systems to a new emphasis on leading reforms in finance policy and other areas to achieve the goals of *Closing the Gaps.*

In a manner similar to that found in Kentucky, Texas in 1999 adopted a strategic plan, *Closing the Gaps*, setting goals for 2015 to narrow the gaps in postsecondary education access and degree completion of the state’s African-American and Latino/Hispanic populations, and to improve the competitiveness of the state’s research universities.

The economic crisis and concerns about restoring economic competitiveness prompted more states to adopt long-term public agenda goals. Driving this change is President Obama’s goal that the United States should have the highest proportion of students graduating from college in the world by 2020.[[23]](#endnote-19) The Lumina Foundation “Big Goal” to increase the percentage of Americans with high-quality degrees and credentials to 60 percent by the year 2025 is also having an impact.[[24]](#endnote-20) The push is to accelerate completion of degrees and certificates within institutions as well as through improved collaboration across the system.[[25]](#endnote-21) By early 2014, 27 states had established statewide goals to improve the educational attainment of their populations at a future date.

### Changing role of statewide coordinating agencies

Pubic agenda reforms are leading to changes in the roles and responsibilities of state coordinating entities to:

* Shift away from regulating institutions to leading the state’s public agenda. These boards retain, however, essential regulatory roles related to institutional missions and the overall size and shape of the system.
* Decentralize and deregulate institutional governance to provide public institutions with the flexibility needed to reform core practices while at the same time holding them accountable for performance related to the goals in the public agenda.

The public agenda reforms are having the important effect of decreasing the involvement of statewide coordinating boards in issues that are more appropriately the responsibility of institutional governing authorities. This is occurring largely because of a change in the focus of state goals and related accountability measures.

Before the public agenda reforms, state goals often focused on internal institutional matters such as enhancing the quality of academic staff and researchers, improving teaching and learning, or improving the institutional efficiencies. After the reforms, the goals focused on the performance of the overall higher education system in relationship to national priorities.

The effect of this change to high-level public agenda goals is to refocus the mission of statewide coordinating agencies toward strategic and systemic issues and away from detailed involvement in institutional-level issues. In other words, the responsibility for addressing issues such as improving teaching and learning is clearly at the institutional, not the state level.

Even with this change to high-level goals and related indicators, US coordinating boards continue to monitor institutional performance to identify potential risks and recommend actions as necessary. The boards also lead systemwide initiatives that address issues that support institution-level change. They also address issues that cut across institutions and sectors. These include relationships with the secondary education systems and student pathways between and among institutions.

Example of Public Agenda Goals

The goals under consideration by a Connecticut planning commission charged with developing a strategic master plan for the whole higher education sector illustrate the current generation of state goals:

* Increase educational attainment: increase the postsecondary education attainment level of the 25-64 year-old population of the state to at least 70% by 2025: 40% with bachelor’s degree and above, 30% with associate degrees and certificates (about 17% certificates and 13% associate degrees). The education associated with these credentials must be of high quality and reflect the deeper learning required to meet the intent of the goals;
* Contribute to the development of a globally competitive economy and sustainable regions and communities. Increase higher education’s contribution to fostering regions and communities that have globally competitive economies and environments that have the cultural and other amenities essential to attract and retain a highly educated, diverse population.

Affordability:

* Ensure that higher education is affordable for Connecticut residents;
* Ensure that funding for higher education is sustainable— affordable for the taxpayers of the State.

http://www.cga.ct.gov/hed/pched/pched.asp

### The role of governing systems in public agenda reforms

Large, multi-institution governing systems will remain an important dimension of the US higher education landscape. Systems can present several barriers to both the competiveness of component institutions and campuses as well as to the achievement of state goals. This can include:

* Continuing centralized governance and control in key areas of academic policy and budget.
* Centralized human resource policies and systemwide collective bargaining and labor agreements.
* System-level decision-making and services fail to adequately support or reinforce mission differentiation among the constituent units.
* The states with two or more large governing systems but without an overall system coordinating entity find that it is more difficult to shape a public agenda for the state as a whole—across all sectors and institutions.

At the same time, governing systems have the potential to play central roles in the realignment of the nation’s higher education capacity to achieve long-term state and national goals and to create a policy environment for a highly diverse and sustainable network of institutions.[[26]](#endnote-22) The University System of Georgia and the State University of New York (SUNY) are leading the way in shaping a new role for systems. While the details of the changes in these two systems and others around the US differ, several themes are common:

* Changing the role of the system board and senior leadership from governing and managing institutions to providing strategic leadership for the system as a whole to serve students and link the system capacity to the future economy and quality of life of each of the state’s regions.
* Establishing and gaining consensus on clear measurable system goals;
* Increasing the autonomy of institutions and management responsibility of presidents while holding them accountable for performance in terms of system goals and each institution’s mission;
* Enhancing the power of the system to serve the state by moving from a collection of individual institutions competing with each other for students and resources, to a coordinated, differentiated network of institutions in which the impact of the system is far greater than the sum of its parts (e.g., the “Power of SUNY: SUNY and the Entrepreneurial Century”[[27]](#endnote-23)).
* Focusing the system role on issues that cut across institutions and campuses:
* Defining and making final policy decisions on the overall size and shape of the system, institutional role and scope and realignment of institutional missions;
* Using strategic finance policy and resource allocation aligned with goals as the principal policy tools to promote change and innovation;
* Realigning of institutional capacity:
* Concentrating globally competitive research capacity in some HEIs;
* Consolidating institutional capacity to create more sustainable entities;
* Transitioning some institutions to new roles as mixed regional university learning centers with the capacity to draw in courses and other resources from other campuses and global providers to serve students within the region;
* Providing a venue for developing and implementing new modes for delivery of content and supporting “mediated” learning at multiple sites; managing the “market” for content development and delivery for the benefit of the state’s population (drawing on local and global sources);
* Achieving economies-of-scale in systemwide services but increasing the emphasis on providing incentives for services to be provided on a “purchase of service”/market basis. Some services (e.g., data/information infrastructure) are essential for system goals; other services (e.g., human resources and purchasing) can be provided to institutions on a “purchase of service” basis);
* Increasing the systems’ role in supporting students/learners in accessing multiple learning opportunities drawn from multiple campuses and on-line/web-based learning in the path toward their achieving learning objectives: student information systems, portable transcripts, competency-based degrees, and student finance systems (tuition/fees and student financial aid).

### Challenge of implementing public agenda reforms

Implementation of public agenda reforms has been mixed across the states. Some states (e.g., Illinois, Indiana, Tennessee, Louisiana, and Oklahoma, among others), followed the lead of Kentucky and Texas in adopting a public agenda, reforming the role of the statewide coordinating board, and changing finance policy.[[28]](#endnote-24) In other states, barriers remain to bringing about systemic change.

There is a greater need now than before the economic crisis for these broad-based, independent statewide policy leadership entities. Some coordinating boards are making this transition, but the political and budgetary context for these changes is problematic:

* Governors in several states have gained control of the previous independent coordinating agencies either by requiring that the executive officers be appointed and serve at the pleasure of the governor or, in some cases tying the agency directly to the Office of the Governor. In the short term, these changes increase the chances that the governor will consider the coordinating agency’s advice. Nevertheless, the agencies have lost a degree of their independence and their ability to provide objective analysis and advice to both the governor and state legislature, and to maintain a trusting relationship with the state’s higher education leadership. Because the agency’s leadership will be replaced when a new governor is elected, its ability to sustain attention to long-term goals and reforms is also weakened.
* As agencies have attempted to decrease their regulatory role and avoid getting involved in institution-level governance and management issues, they have increasingly been assigned regulatory tasks that draw them back to their previous roles. Legislators’ frustrations with decisions by institutional governing boards and presidents, reactions to institutional lobbying, and institution-level controversies lead to new mandates for the coordinating agency which further draw it into potential governance conflicts with institutional leaders.
* In the budget crisis and the drive to reduce the number of state employees, higher education agency staffs were cut and, in at least one state (California), the Governor eliminated the agency’s funding from the state budget. A proposal to establish a new California Higher Education Authority is under consideration but has yet to be adopted. Agencies in other states face the challenge of undertaking an increased regulatory burden with no additional staff. The staff capacity to undertake a more strategic leadership mission is simply not available.
* Limitations on salaries of state employees constrain the ability of the higher education agency to compete with public universities for qualified staff, especially staff who have both academic credibility and public policy expertise.

The most important policy gap is the lack of connection between public agenda reforms and state finance policy. States lack a venue where key state leaders come together to develop both long-term strategic goals for the performance and sustainability of the higher education system and a strategic financing plan to achieve those goals. There is no place where strategic decisions can be made about how to achieve the goals within the constraints of limited public funding and serious questions about affordability for students and families.

Despite the promise of changes *within* governing systems the state governments persist in maintaining, if not strengthening, major regulatory barriers that limit the ability of the system governing authorities and presidents/chancellors to lead change.

### Concerns about the nation’s ability to reach its goals with the current consideration of the higher education system

Questions are also being raised about the benefits of additional investment in a system perceived as misaligned with national priorities and as underperforming. Leaders are searching for more affordable, cost-effective means to provide higher education services.

Cost estimates suggest that without fundamental changes in the current configuration and cost-structure of the higher education system, the US cannot reach the goals that the nation and states are setting in a way that is affordable to students and state taxpayers. Dennis Jones writes in the current Change Magazine that:

“[If one calculates] the additional number of students who would have to be served to meet the stated goals (assuming business as usual), multiplied by the current expenditure per student, the result is a figure so large as to be deemed beyond the realm of possibility. Tuition couldn’t possibly be raised enough to pay the bill; price increases at the levels required would drive away the very students who will have to be brought into the system. Further, given the recent history, no one can foresee a circumstance in which public funds—either state or federal—will flow in the amounts necessary to meet the needs of the required influx of students.”[[29]](#endnote-25)

What will be required to achieve the goals is:

* Fundamental changes in the performance and business model of existing institutions;
* New more cost-effective modes of provision;
* Significant changes in state finance policy involving far more strategic, coordinated decisions regarding state subsidy of institutions, tuition policy, and student financial aid.

**University strategies to ensure sustainability in an increasingly competitive environment**

As states are implementing public agenda reforms, public universities face daunting sustainability challenges in the increasingly intensive regional, national and global competition for resources. The tensions between the state and institutions arise when these institutional strategies draw them away from addressing state priorities. Each public university must confront these sustainability issues within the context of its unique mission and its capacity to replace state funding with other revenue sources.

### Differences in institutional capacity to compete for resources

While major research universities certainly have challenges in sustaining their global mission, it is the access-oriented public comprehensive universities that are most at risk. As illustrated in figure 7, these two kinds of institutions have significantly difference revenue profiles.

Figure 7. Comparison of total funding per full-time-equivalent student (FTE) and revenue resources, major public research universities and public baccalaureate/masters universities, 2011-12

|  |  |
| --- | --- |
| 2011-2012 | |
| Major Public Research Universities (Research Extensive) Revenue per FTE=$37,445 | Public Baccalaureate/Masters Universities Revenue per FTE=$15,307 |
|  |  |

Source: IPEDS. NCHEMS database. Carnegie Classification 2000

The data in figure 7 illustrate funding per full-time student for all US institutions within the particular Carnegie Classification. Looking specifically at California, for example, the University of California, Berkeley had total revenues of $51,055 per FTE and received 33% of its funding for tuition and fees and 15% from state and local appropriations. In contrast, California State University at Los Angeles, the major public access-oriented university in that region, had total revenues of $14,328 per FTE and received 27% of its funding from tuition and fees and 47% from state and local appropriations. Obviously, the differences in funding relate to differences in the breadth and complexity of these institutions’ research and graduate education missions.

Major research universities have the global reach and prestige to attract students worldwide. They are the institutions of choice for the best-prepared students within their states and regions. They often have the resources to invest in student aid programs that ensure access for outstanding students from low-income families. Because of the perceived value of their degrees, they could, if permitted within state regulations, charge far higher tuition and fees to both in- and out-of-state students without seeing a weakening of demand.

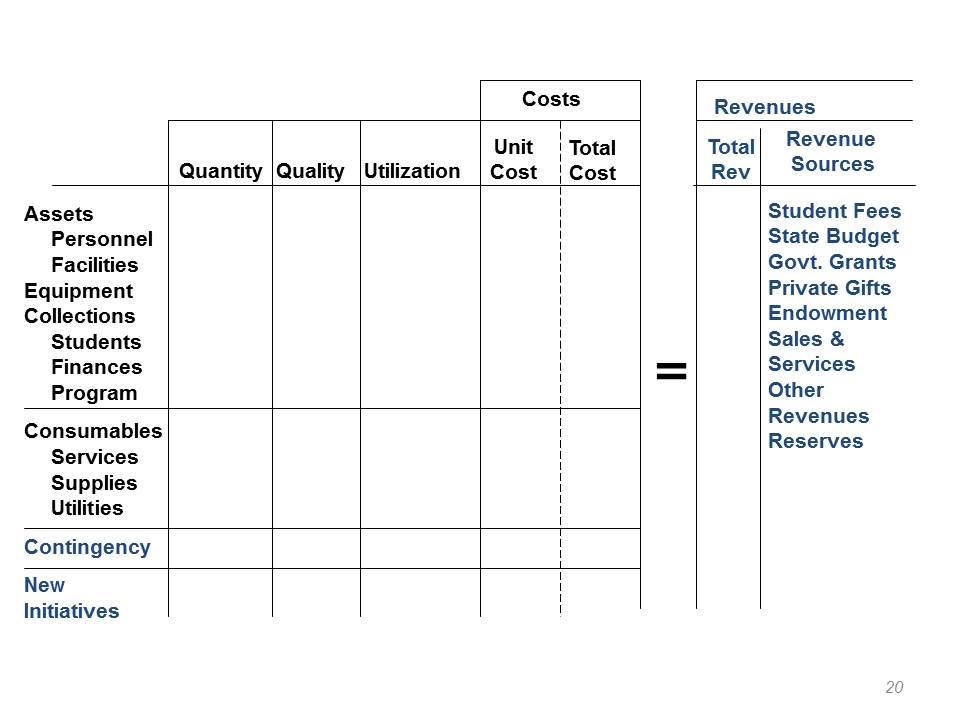
In contrast to research universities, the major access-oriented public universities lack the prestige to compete for students significantly beyond their immediate region and state. Consistent with their mission, these institutions serve highly diverse student populations in terms of age, level of preparation, income, and race/ethnicity. Lacking the depth of resources available to the major research universities, the access-oriented public universities have more limited institutional funds to invest in student financial aid and other enrollment management strategies. Their ability to increase tuition and fees, even if allowed by state regulation, is constrained by the population that they serve: higher tuition would likely lead to weakening demand, especially among the at-risk populations the institutions are intended to serve. They are also more at risk because of competition from a rapidly expanding array of providers. An increasing number of students, especially those in non-traditional markets, are using more affordable means to gain access to perceived high quality learning. A steadily increasing percentage of students is obtaining coursework from multiple institutions and providers, combining traditional classroom instruction with mediated/blended instruction and drawing upon content from multiple sources (online providers, MOOCS, etc.).

### Capacity of governing boards and presidents to bring about change

Bringing about internal change requires exceptional leadership from institutional governing authorities and presidents. They must set clear goals and use internal processes and incentives that engage the faculty and full-range of internal stakeholders in the change process. The change process is made more complex by collective bargaining and labor agreements that severely limit changes in institutional human resources.

Faced with these barriers, some public university leaders, both governing authorities and presidents, take the easier route in confronting budget-balancing by focusing on revenue generation rather than major strategic choices about realignment of the institution’s core assets. Figure 8 illustrates the trade-offs. By concentrating on strategies at the right side of the figure, the leaders dodge the difficult choices at the left side.

Figure 8. Key trade-offs in public university budget decisions



Source: Jones, Dennis P., National Center for Higher Education Management Systems, Boulder, Colorado.

State and system reforms to increase institutional autonomy depend fundamentally on the capacity and will of governing authorities to make strategic planning and budget decisions and of university presidents to lead and manage organizational change.

## Initiatives to provide regulatory relief and increase institutional management flexibility

System procedural regulations can seriously limit the authority and capacity of governing authorities and presidents to bring about essential internal institutional change. As discussed earlier in this paper, states commonly regulate and restrict the management flexibility of public institutions in the areas of human resources, facilities, equipment, and procurement. At the same time, they also commonly regulate tuition and fees.

States have adopted reforms over the past twenty-five years to increase the autonomy and management flexibility for public institutions. The pace of fundamental change has been slow.[[30]](#endnote-26) The economic crisis, however, prompted several states to act—most often as the result of pressure from major public university presidents. Common arguments by university leaders for reform are that:

* The combination of limited state funding and comparatively low in-state tuition rates is inadequate to support the university’s mission of serving state residents, especially residents from low-income, disadvantaged backgrounds. Therefore, the university must recruit out-of-state and international tuition-paying students in order to maintain its commitment to serve the state. For these reasons, state regulation of tuition (limits on in-state tuition, on the percentage of out-of-state and foreign students who may be admitted, and restrictions on the use of tuition revenue) limit the ability of the university to fulfill its historic mission of serving the state.
* Once the most reliable revenue source, state appropriations have become the most volatile and unreliable: swinging up and down based on the state’s economic and political cycles. Tuition now has become the most predictable—and controllable—revenue source. Universities need the flexibility to use enrollment management to shape their enrollment (e.g., between in-state and out-of-state students, students with financial need and those who can pay full-tuition). In contrast, legislatures, in the face of pressures to maintain affordability, have established tuition caps and freezes at the same time that they have cut state appropriations.
* State policies and regulations that limit the university’s management flexibility and tie the university too closely to local and regional priorities severely restrict the ability of the university to enhance its global competitiveness—and hence, to contribute to the state’s future.
* These institutions argue that it would be advantageous both for the state and the university if they were either separated from the system under an independent governing structure or given substantial autonomy within the system with a unique university-level governing structure and significant autonomy from system policies and regulations.

In response to these arguments, others have stressed the need for an overall state financing strategy which is consistent with state goals and ensures the availability of student financial aid for low-income, disadvantaged students. They also argue that, as a condition for them to be allowed to increase tuition and gain greater management flexibility, institutions should demonstrate that they are containing escalating costs and implementing new more cost-effective modes of operation and program delivery.

Deregulation initiatives adopted by states can be grouped as follows: [[31]](#endnote-27)

* Changes related to the specific issue of tuition flexibility: changes that grant institutions authority to increase tuition and, in many cases, to retain tuition revenue. In exchange, states have required universities to agree to allocate a percentage of increased revenue to need-based student financial aid, commit to ensuring access to in-state students, improve graduation rates, and agree to further performance requirements.
* Incremental changes related to other specific procedural/operational issues: increasing authority in respect to issues related to human resource management (e.g., position controls), purchasing, construction contracts, information technology or offering retirement plans as alternatives to the state retirement system. In some cases, these changes have involved deregulation of substantive issues such as academic program approval. In most cases, these changes provide for delegation to a public university the authority to carry out certain functions (e.g., purchasing or entering into and overseeing construction contracts) under the condition that the university abide by the basic requirements (e.g., competitive bidding) applicable to all other state agencies. In other words, the authority is delegated, not granted to the university by virtue of its legal status as an independent legal entity.
* Systemwide deregulation including both tuition flexibility and procedural deregulation granted in exchange for greater performance and accountability through performance or management agreements with the state. Examples include the changes enacted through the 2005 Virginia Restructured Higher Education Financial and Administrative Operations Act[[32]](#endnote-28) and the 2010 Louisiana Granting Resources and Autonomy for Diplomas Act “Grad Act.”
* Changes in the legal status of university systems, thereby granting these entities authority to carry out procedural/operational functions independent of the direct oversight of state agencies. For example, legislation enacted in 1999 established the University System of Maryland as a public corporation. Nevertheless, the system remained accountable to the state for complying with some of the previous state procedural requirements, albeit with some increased independence, even under their new legal status.
* Changes in the legal status of individual institutions to established “charter” colleges. Examples of these changes (e.g., Saint Mary’s College of Maryland) are limited and reflect unique circumstances that largely are not applicable to other state and institutional contexts.

## Counter political pressures for re-regulation

Frustrations of political leaders with performance of the higher education system are leading to pressures to reinstitute centralized control and, in some cases, abandon public agenda reforms.

The long-term trend in the shift of the cost of higher education to students and families will continue. Political leaders at the state and national levels are expressing growing concerns that escalating tuition and fees threaten to make higher education unaffordable to all but the most affluent segments of the population.

The most intense political reactions tend to be to institutional lobbying for authority to increase tuition or to limit access of state residents to the major state universities. While some state universities have been granted increased tuition-setting authority, counter-pressures are intensifying for governors and state legislators to reassert tuition controls.

Many are arguing for less government regulation, but as soon as something goes awry, they want government to fix it—which leads to demand for more oversight and regulation. Instead of pursuing reforms to deregulate and decentralize responsibility for areas such as procurement, capital development, and human resources, some states are recentralizing these functions hoping to achieve economies across government. However, these actions are taken with limited understanding of why public higher education institutions are different from other state functions such as the highway department or the state police. There is limited understanding as to why governing authorities and presidents need greater flexibility in these areas in order manage their institutions under conditions of severe cuts in state funding, limitations in ability to increase tuition, and fierce competition for students and alternative revenue.

## Overall policy environment for change

As states emerged from the economic crisis and Great Recession, the trajectory of change in system governance was clear, but extent and pace of change varied across the 50-states. There is growing concern, however, that the current state-level policy environment is a major barrier to the changes needed to achieve long-term goals and to reshape the public higher education enterprise to remain affordable and sustainable. The policy-making processes and structures for system governance and regulation established for an earlier time are not adequate for the future. The reality, however, is that a challenge exists to get support among state political leaders for the needed changes.

The state political scene is highly splintered with serious divisions among opposing views about the role of government. Turnover in political leadership, term-limits, and political divisions mean that short-term agendas drive out attention to long-term reform. Understanding has been lost concerning the underlying rationale for higher education structures including basic values such as the need for autonomy and a degree of independence of system-level structures from political control. Lack of trust in government is a theme that cuts across the political spectrum.

In the economic crisis, states tightened controls in the budget process, in public employment, and in the expenditure of state funding. In this environment, there is little room for long-term strategy such as linking long-term strategic goals to strategic finance policy. No venue exists for this conversation. State budget offices and legislative appropriations committees are focused on balancing the state budget, controlling expenditure of state appropriations, and reducing or containing long-term liabilities in funding pensions and healthcare.

There is a brighter side to this otherwise dark picture of the policy environment. Pushed by business and civic leaders and initiatives of the Lumina Foundation and Bill and Melinda Gates Foundation, states are adopting long-term public agenda goals. States are enacting new outcomes-based funding policies that align with state goals, respect differences among institutional missions, and provide institutions with considerable autonomy in shaping the internal changes needed to improve performance. Governing systems such as SUNY are redefining what it means to be a system in the 21st century. Individual universities are making major changes to improve performance by adopting more cost-effective modes of operation while also improving the quality of teaching and learning and their global research competitiveness. Promising reforms are taking place throughout the nation: new modes of provision, and new ways to improve preparation of students for college, reforms to enable students to complete academic programs and obtain degrees more expeditiously and cost-effectively with higher learning outcomes, among other reforms.

Unfortunately, these changes have yet to reach the scale necessary to reverse the long-term declines in the knowledge and skills of the nation’s workforce and to retain the nation’s competitive edge in research and innovation. The current policy environment and outdated system governance and regulation are major barriers to sustained, systemic change. As an increasing number of states were adopting public agenda reforms and long-range goals, these strategies remained largely disconnected from state government decisions on the different elements of financing the state’s higher education system.

# Lessons from a comparative perspective

A basic lesson for the US and other countries, a lesson they have learned from Ireland, concerns the long-term benefits of a sustained, persistent effort to improve overall standards of education. For more than a half-century, dating from early reforms in the late 1950s, the OECD 1966 review, *Investment in Education[[33]](#endnote-29)*, and across periods of economic crisis and changes in leadership, Ireland has made education the cornerstone of its global competitiveness. It is this long-term commitment, despite periodic setbacks, that laid the foundation of a highly skilled population for the Celtic Tiger period.

It is this commitment that underlies the country’s current resilience and potential for rapid recovery from the economic crisis. However, the recent economic crisis has created unique challenges for higher education, significantly so in the areas of funding and governance.

In terms of the specific focus of this paper, creating a system of governance and regulatory environment that fosters innovation, creativity and initiative is a key to sustaining the momentum of this long-term commitment to a globally competitive, sustainable higher education system and country.

## Progress since 2004 OECD review

From the author’s perspective as a member of the OECD review team, Ireland has made significant progress on many of the issues raised in the examiners’ report. Through the leadership of the Ministers of Education and Skills, the HEA, and higher education leaders, Ireland has sustained its attention to fundamental changes in spite of the economic crisis. As in the US, the crisis has made reform even more of an imperative.

Several of the most important points of progress include:

* Developing the National Strategy for Higher Education to 2030
* Bringing more coherence to the tertiary education system by placing the institutes of technology (IoTs) under the HEA, and making changes in the governance and structure of the IoTs. The changes related to this are still underway. The challenge is to maintain a differentiated tertiary system and to counter pressures for drift away from the IoTs’ historic technical mission.
* Establishing Quality and Qualifications Ireland (QQI) as a new agency integrating several separate entities and functions;
* Moving the HEA to a more strategic role as recommended in the OECD report;
* Undertaking the challenging Higher Education Landscape process and taking first steps in related Strategic Dialogue regarding the future configuration and performance of the Irish higher education system

The recent HEA report to the Minister, *Higher Education System Performance: First Report 2014-2016*, demonstrates the significant progress to date and the challenges that the lie ahead in implementing systemic reforms.[[34]](#endnote-30)

In some of these areas--the Landscape process, including the proposals for Technological Universities, the redefinition of roles and responsibilities of the HEA, and the execution of the Strategic Dialogue process particularly—how these initiatives are executed will determine their ultimate success or failure.

In addition, the major task identified in the OECD report to develop a new financing framework for higher education has yet to be accomplished. Against a backdrop of significant cuts in state funding since 2008, and increases in student charges, The Minister of Education and Skills has appointed an expert group charged with examining this issue and has been given to the end of 2015 to make recommendations.

In many respects, the higher education reforms now underway in Ireland are more far-reaching than most of the state-level public agenda reforms in the US. In particular, few states have articulated as comprehensive a long-term plan as the National Strategy. Nor have they pursued as consistent a process of implementation. Few states have confronted the reality that the configuration of their higher education is unsustainable. Nor have they undertaken a process of reconfiguration as comprehensive as the Landscape process.

However, there are important differences between the US and Irish positions, as is evident from this paper. One notable structural difference is the absence in Ireland of the private comprehensive university segment, which forms a significant and influential part of the US higher education landscape. As a result there is a greater burden of expectation on Ireland’s public universities in terms of their performance.

Ireland’s university system is freer from political intervention than are many systems within the US. At the same time, while much of the recent development in Ireland is ahead of the US in the governance and regulation sphere, there are specific aspects of good practice in the US which Ireland could and should emulate.

## Recommendations for Ireland

Considering the urgent steps that the Government of Ireland needed to take during the economic crisis as well as the scope of the needed higher education reforms, it is understandable that issues would arise concerning system governance and regulation. Looking to the future, it is important for Ireland as well as the US to clarify relationships and ensure that a policy environment for continuing constructive change is in place.

Using the US experience and the broader international perspective of the OECD review as a background, Ireland should consider the following actions in order to maintain the momentum of reform and ensure the long-term sustainability of the higher education system.

## Recommendation 1: Establish a limited number of high-level strategic goals at the level of the Taoiseach and the Cabinet that link the Higher Education policy to broader national strategic goals.

These goals should provide the framework for strategic finance policy and coordination across the government of the multiple departments in addition to the Ministry of Education and Skills for which higher education plays a role. It is important to note that these goals would be qualitatively different from the system objectives on which the HEA Performance Compacts are based. They would also make clear the contribution of higher education to the broader “national priorities” that pertain to the whole the Government..

A central point in the OECD review states that a strong, diverse higher education system is essential to every dimension of Ireland’s future. The impact is far beyond the core mission of human resource development: developing the knowledge and skills of the nation’s youth and adults. The system has an essential role in the arts, cultural heritage, environment, sustainable agriculture, health, regional economic development, innovation and competitiveness in business and industry, among others.

Responsibility for these areas is distributed across several ministries. What is needed is a set of unifying goals that reflect the full range of higher education’s contribution to the nation’s future. For example, research linked directly to the nation’s economy must be a priority but so also must be research in the arts and humanities and research as it enriches teaching and learning.

As indicated above, the Minister for Education and Skills has already set out higher education system objectives linked to wider national goals. These fit the direction suggested in this paper. They articulate the expectations from the system across all areas of activity and from across Government. However, the high-level goals suggested in this paper would reach beyond the immediate period of economic recovery. [[35]](#endnote-31) The suggested high-level goals would focus on *ends*, not *means*—on what, not how.

This suggestion has direct implications for system governance and regulation. The more the national-level goals and the performance indicators (KPIs) emphasize *how* (for example, excellence in teaching and learning), the more the Department and the HEA will be drawn into matters that are more appropriately the responsibility of governing authorities and the academic community.

The systemwide objectives and the National Strategy primarily pertain to actions to be taken *within* the higher education system and individual institutions. The National Strategy emphasizes *how* the system must change more than it emphasizes any overarching goals for Ireland—goals that link the system to long-term social and economic challenges facing the country.

## Recommendation 2: Establish a venue at the level of the Taoiseach and the Cabinet, led by the Minister for Education and Skills, charged with sustaining attention to and monitoring progress of the whole higher education system toward strategic goals, ensuring a link to strategic finance policy, and promoting coherence across multiple entities.

While the specific proposals differed, both the 2004 OECD review and the National Strategy emphasized the need for such a high-level venue. Again, the thrust of this recommendation is to recognize the multi-faceted nature of higher education and to bring about more coherence across the ministries and policy domains on which Higher Education impacts.

## Recommendation 3: Link strategic finance policy to strategic goals.

Finance policy is the most powerful tool to ensure progress toward strategic goals. If a country is to make progress on reform, decisions at the highest level of Government must be made with reference to strategic goals. At a time when students and families as well as governments are under severe economic pressures, countries (as well as US states) need long-term strategies for how the system is to be financed: the shares to be borne by the government, students, and other funding sources to ensure that the system makes progress toward strategic goals, is affordable for students, and supports the sustainability of the nation’s higher education institutions.

Decisions on annual budgets and the share of funding for higher education need to be taken with reference to the strategic goals that relate to the full dimensions of higher education’s contributions to national goals—short-term as well as long-term, as mentioned above. A basic concern of the 2004 review was that decisions on higher education funding appeared to be made primarily in the context of the Ministry of Education and Skills and the demands for funding of primary and secondary education. The OECD team was also concerned that there needed to be a balance in funding of research including both research linked to economic development and research capacity (including capacity in arts and humanities).

The need to link finance policy to strategic goals has become more pressing in the intervening period, not least because of the demographic pressures faced by higher education against a backdrop of reduced funding.

## Recommendation 4: Continue to strengthen the role of the HEA in strategic policy leadership for the system as a whole.

The HEA is providing essential leadership for systemic change and for initiatives that cut across sectors and institutions. As the US case illustrates, the challenges regarding the balance between institutional autonomy and system leadership often occur when entities such as the HEA are drawn into issues that are ultimately the responsibility of academic staff and institutional governing authorities.

The US also illustrates the difficulties involved in reorienting bodies which have their roots in funding allocation and associated regulation into institutions capable of high level system coordination. This is a non-trivial issue which impacts on both the range of competencies in the organization and the delineation of the functions which it undertakes.

This delineation of functions operates in two directions:

* First, in the relationship between the HEA and the institutions. There needs to be greater clarity and differentiation between the *strategic policy leadership and coordinating* functions of the reconfigured HEA and the *institutional governance* functions which are best and most appropriately undertaken by university managements operating under the supervision of their Governing Authorities; and
* Second, in the relationship between HEA and the Department of Education and Skills. As indicated above, Ireland already has a comparatively positive degree of separation between politics and the system coordination function. This should be maintained and be as transparent as possible.

## Recommendation 5: Undertake a systematic review of the impact of regulations related to human resources, finance, information technology, procurement, and other procedural areas on the capacity of the system to achieve goals and to implement reforms.

The economic crisis necessitated many of the controls instituted in the US states. Similarly, as Ireland faced a more severe crisis and mandates from EU-ECB-IMF Programme, it was inevitable that tighter controls such as those instituted through the Irish Ministry of Public Expenditure and Reform would have to be put in place for the duration of the crisis.

However, care must be taken to avoid a ratchet effect which could lead to an anachronistic regulatory regime being maintained after the crisis has passed. It is in the long-term interest of Ireland, however, that university governing authorities and senior leaders have the authority, responsibility, and flexibility to manage their institutions.

As discussed earlier in this paper, top-down regulatory controls can seriously constrain the process of strategic realignment of assets and resources within complex organizations such as universities. In that regard, it is important that regulations be aligned with the performance expectations applying to the bodies being regulated. A review of regulation should examine approaches taken across a range of highly ranked systems and comparable countries which share Ireland’s aspiration to high levels of skills and innovation-led economic development.

## Recommendation 6: Continue to strengthen institutional governance and leadership.

Increasing institutional autonomy will only work if the governing authorities and institutional leaders have the capacity to plan and act strategically. Governing authorities need to be able to set clear long term goals, make strategic decisions about alignment of the institution’s assets and resources, and hold the institutional leadership accountable for implementation. Both the OECD review and the National Strategy also recommended changes in the size and role of governing authorities and both the Universities and Institutes of Technology have already made detailed proposals for change to the Ministry. It should be a priority for Ireland to implement these changes and to invest in board and institutional leadership development.

Consistent with the other recommendations, institutional governance of the Higher Authority should also be reviewed and revised as necessary to reflect its changed mandate.

# Conclusion

Despite the differences between Ireland and the US states, the basic challenge remains the same: how to create a policy environment that supports the sustainability and global competitiveness of highly independent colleges and universities while ensuring that these institutions respond to national/state priorities.

Both the Irish and US cases illustrate that change is a long-term, step-by-step process requiring persistent, consistent pursuit of long-term goals. The process always involves a few steps forward and a few steps backward, but the overall trajectory remains the same across economic crises and changes in leadership.

The other lesson learned from both countries is that top-down mandates and regulation have a limited--if not negative impact--on fundamental change within academic institutions. What political leaders and other external stakeholders often fail to recognize is that universities are by definition loosely-coupled, bottom-heavy organizations where change takes place at the lowest levels of the organization: the individual faculty member and academic department. Hierarchical structures and regulations rarely work in prompting change. In fact, they are likely to block rather than spur constructive change.[[36]](#endnote-32)

It is essential to establish strategic goals for *what* the system is to achieve and then create a policy environment and framework for bottom-up change at the institutional level to determine *how* those goals are to be achieved.

A final lesson is that, while systems of governance and regulation are essential, bureaucratic structures and processes can go only so far in building public confidence in the system. Ultimately, developing public confidence, especially given the culture of Ireland, is about building trusting relationships and informal communication networks between higher education and key stakeholders: students, policy-makers, and other external stakeholders.

# Endnotes

1. Organisation for Economic Cooperation and Development (OECD)(2004). *Reviews of National Policy for Education: Higher Education in Ireland*. Paris: OECD, 2004. [↑](#endnote-ref-1)
2. This paper focuses primarily on system regulation and governance of Irish universities and not the Institutes of Technology (IoTs). While many of the points relate to both the IoTs and universities, the issues related to the IoTs are more complex, especially in light changes that are still evolving. [↑](#footnote-ref-1)
3. National Center for Public Policy and Higher Education (2005). “State Capacity for Higher Education Policy Leadership” (July 2005). *National Crosstalk* supplement. Retrieved at: http://www.highereducation.org/catreports/governance\_state\_policy\_leadership.shtml [↑](#endnote-ref-2)
4. Estermann, T., Nokkola, T, and Steinel, M... (2010). *University Autonomy in Europe II: The Scorecard*. Brussels: European University Association, p. 9. [↑](#endnote-ref-3)
5. Berdahl, Robert O. (1971*. State Coordination of Higher Education*. Washington, D.C.: American Council of Higher Education [↑](#endnote-ref-4)
6. Frank Newman (1987). *Choosing Quality* (Denver: Education Commission of the States, 1987), p. xiii. [↑](#endnote-ref-5)
7. # McGuinness, A.C. (2011). “The States and Higher Education,” *American Higher Education in the Twenty-First Century: Social, Political, and Economic Challenges*, 3rd edition. Altbach, P et al. eds. Johns Hopkins University Press.

   [↑](#endnote-ref-6)
8. These institutions enroll 72% of all students and include 29 of the 52 major US research universities that are among the top 100 universities in the world according to the Shanghai Ranking of World Universities, 2014. Retrieved at: http://www.shanghairanking.com/aboutus.html [↑](#footnote-ref-2)
9. National Center for Education Statistics (NCES). Actual and projected numbers for total enrollment in all postsecondary degree-granting institutions, by sex, attendance status, and control of institution: Fall 1996 through fall 2021. Retrieved at: ttp://nces.ed.gov/programs/projections/projections2021/tables/table\_20.asp [↑](#endnote-ref-7)
10. *The Academic Ranking of World Universities* (2014). Retrieved at: http://www.shanghairanking.com/aboutus.html [↑](#endnote-ref-8)
11. Universities Act, 1997, Number 24 of 1997, section 14. [↑](#endnote-ref-9)
12. Many of the states have populations than are comparable to Ireland’s. Half the states have populations of less than 4.5 million and nine states have populations between 3.5 and 5.4 million. [↑](#footnote-ref-3)
13. OECD (2004). *Higher Education in Ireland*. Paris: OECD, Country Background Report, p. 105. [↑](#endnote-ref-10)
14. UNIVERSITIES ACT, 1997, sections 12 and 13. [↑](#endnote-ref-11)
15. “The College Provost.” Retrieved from: https://www.tcd.ie/registrar/assets/documents/statutes/10-College\_Provost\_Jul11.pdf [↑](#endnote-ref-12)
16. The configuration of systems evolved in different ways. Some evolved from Land Grant Universities which established branch campuses to become multicampus universities. Some states developed “segmental” systems following the California pattern of consolidating former teachers’ colleges and regional universities under one system and the research university within a separate system, while others developed systems with diverse missions. A few systems were established prior to World War II. The major developments, however, occurred from the late 1940s through the mid-1970s. For example, New York in 1948 established the State University of New York (SUNY) consolidating all the public universities outside the New York City Metropolitan areas under a single Board of Trustees and chancellor. In 1971, North Carolina consolidated the University of North Carolina, North Carolina State University, and the other regional state universities, each of which had its own governing board, under a new statewide board, the Board of Governors, and a new statewide system. In 1973, Wisconsin consolidated all public universities under a new Board of Regents for the University of Wisconsin System, including the former University of Wisconsin with its campuses in Madison, Milwaukee, and Parkside, statewide extension, and network of centers, with the former Wisconsin State University System with its multiple regional universities. Several other states enacted similar consolidations. At the same time, several major state universities e.g., Indiana University, Purdue University, and Pennsylvania State University) pre-empted the development of competing regional universities and community colleges by developing statewide networks of branch campuses. [↑](#endnote-ref-13)
17. Berdahl, Robert O. (1971*)* [↑](#endnote-ref-14)
18. Private, not-for-profit organizations of public institutions such as the Presidents’ Council, State Universities of Michigan, serve important purposes in promoting voluntary coordination among universities, carrying out special studies, and advocating for higher education before the Governor and state legislature. Although these organizations are concerned about the connection between higher education and the needs of the state’s citizens, their core mission is to advocate for the interests of their member institutions. In this respect, they are unable to play the role of independent intermediary bodies focused primarily on the broad public interest. [↑](#footnote-ref-4)
19. OECD (2004). *Higher Education in Ireland*. Paris: OECD, Country Background Report, p. 151-153. [↑](#endnote-ref-15)
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21. OECD (2008), *Tertiary Education and the Knowledge Society*, Vol. 1. Paris: OECD [↑](#endnote-ref-17)
22. National Center for Public Policy and Higher Education (2005). “State Capacity for Higher Education Policy Leadership” (July 2005). National Crosstalk supplement. Davies, Gordon K. (2006) *Setting a Public Agenda for Higher Education in the States: Lessons Learned from the National Collaborative for Higher Education Policy*. National Center, December 2006. Retrieved at: http://www.highereducation.org/catreports/governance\_state\_policy\_leadership.shtml [↑](#endnote-ref-18)
23. The White House <http://www.whitehouse.gov/issues/education> [↑](#endnote-ref-19)
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25. Complete College America http://www.completecollege.org/ [↑](#endnote-ref-21)
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27. https://www.suny.edu/powerofsuny/ [↑](#endnote-ref-23)
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29. Jones, Dennis P. (2014). “The Unanswered Question: How Will We Pay for Aggressive Attainment Goals?” *Change Magazine*. July/August 2014, 18. [↑](#endnote-ref-25)
30. [↑](#endnote-ref-26)
31. Jones, Dennis P. (2014.

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