

UDC [378:351.851](73)

Horgan T. R.

**THE CHANGING ROLE OF PUBLIC POLICY AND GOVERNANCE IN
AMERICAN HIGHER EDUCATION**

When considering the multitude of influences on public policy and governance impacting American higher education it is important to remember the country's long history of postsecondary oversight and regulation, which is primarily grounded in individual, institutional boards of trustees. It is the board that approves the programs that will be offered, selects the president and has ultimate responsibility for the financial viability of the institution. Permission to operate a postsecondary institution, both historically and currently, is granted by the individual state where a university is domiciled. The national government's role is largely relegated to providing access to federal guaranteed loans for students and research grants for major universities. A fair analysis of American higher education governance would find it difficult to objectively conclude that universities are regulated by any kind of well thought-out, long-term national public policy agenda. The very diversity of American postsecondary institutions, including two and four year, public and private, non-profit and for-profit, large and small, traditional and on-line, and most recently with the emergence of MOOCs (massive, open, online courses) highlights the reality that no national public policy framework encompassing all the diverse and multifaceted educational sectors exists. Despite this lack of national policy, the American system of institutions successfully serves millions of students annually, providing them access and educational opportunities that remain the envy of the world.

Despite the apparent disconnection of public policy to this diverse and wide ranging education industry, there is a very compelling theory of how public policy emerges offered by the policy theorist John Kingdon in his book: *Agendas, Alternatives, and Public Policies*. This seminal work on how public policy ultimately emerges helps to explain the present status and confusing direction of the American higher education policy agenda. Kingdon makes a captivating case that public policy is largely the result of issues that ultimately surface to a level of influence that eventually demand to be disposed of, while other equally important policy issues somehow fail to rise to a level worthy of public policy notice. Kingdon suggests that although this theory may be an oversimplification “...public policy making can be considered to be a set of processes, including at least (1) the setting of the agenda, (2) the specification of alternatives from which a choice is to be made, (3) an authoritative choice among those specific alternatives, as in a legislative vote or a presidential decision, and (4) the implementation of the decision” (Kingdon, 2011, pp. 2 – 3).

For American higher education, with its various stakeholders placing varied pressures on a wide array of divergent issues (cost controls, access, accountability, completion and gainful employment) the process of public policy change may be just now converging – or conversely – not yet ready for genuine emergence and enactment. Certainly, given the intense level of attention that the Obama Administration is devoting to postsecondary education, it seems that significant higher education public policy change may be on the cusp of occurring. Kingdon insightfully suggests, “...the mobilization of the relevant publics of leaders” (Kingdon, p. 16) is a requirement for public policy issues to rise to the level of attention needed to create genuine change. Some argue that with President Obama’s sharp focus on creating a new culture of change in higher education, that the table has now been set for real and creative reform to materialize.

This past February, in the middle of the President's State of the Union Address, Obama laid out his broad intent to hold colleges accountable for cost, value, and quality, including a call to set benchmarks for affordability and student outcomes as a criterion for continuing to receive federal student financial aid (Kelderman, 2013). Yet, surprisingly, no specific legislative action was proposed by the Administration, which may be a sign of Kingdon's "mobilization theory" of leaders preceding any defined policy change. In this interesting theoretical proposal, a solution – in this case holding colleges accountable for improved performance and outcomes – is first identified by an influential policy leader, beginning the very process of considering the problems (cost/access/outcomes) that need resolving through new public policy initiatives.

A new higher education public policy agenda that appears to be gaining momentum is the issue of redefining institutional governance. University governing boards across the nation are increasingly confronting challenging public policy questions, including "How do we know that students are reaching the academic goals that institutions claim? How do we know that students are receiving a quality education they pay for? With calls from an increasingly diverse variety of stakeholder groups, all seeking answers to these same questions, university governing boards are being compelled to address these challenges in ways they have never before confronted. How boards respond, and what new levels of accountability they may ultimately be placed under, remains a major public policy mystery. Unquestionably, some level of policy change appears to be coming and is increasingly being identified by influential leaders as a topic demanding consideration and action.

Concerns about a possible economic bubble in higher education, similar to the real estate bubble of 2007, is resulting in calls for new governance controls and increased consumer cautions involving student debt loads and predictions on the

economic returns of educational investments (Snair, 2010; Weisbrod, Asch, 2010). These pressures are pointing to the need for an enhanced role for institutional governance and oversight.

Moody's Investors Service, in a report published just last year, noted the need for higher education change, stating "Public universities will have to find management that can strike the balance between providing an affordable education to its constituents, redefining the public understanding of affordability and access to allow for tuition revenue generation, establishing strong working relationships and clear communication with faculty and staff, and shifting the paradigm of the public education governance and operating model," (Kiley, 2012). How this demand for change will emerge is murky at best, but if true, governing boards will have to engage a diverse array of stakeholders in a serious conversation on how higher education institutions operate and are managed in the future, while at the same time seeking out campus leaders capable of responding to new pressures calling for serious policy change. Similarly, while these same policy changes may differ in subtle ways for private, non-profit institutions, parallel demands and implications for governance change, management and accountability are just as compelling for private universities, as for public.

Today, governance members who join a university board are called upon to bring to their role a much more businesslike approach to their responsibilities than ever before. Board members unquestionably have more intense pressure on them to respond to emerging policy questions and are increasingly expanding their engagement into areas of institutional effectiveness, such as academics and admissions, in ways that historically were reserved almost exclusively to the administration and/or faculty. "Boards are recognizing that the stakes of higher education have risen," says Rick Legon, president of the Association of Governing Boards of Universities and Colleges. "The challenges are more difficult, the public

trust is more uncertain, and, as a bridge between the institution and the public, they're now responsible for an increased level of accountability" (Kiley, Fall 2012).

There are new calls from an array of stakeholders demanding greater involvement and accountability from governing board members. One such stakeholder group, the American Council of Trustees and Alumni (ACTA), suggests that board members need to accept increased responsibility for the quality of an institution's academic programs, actively work on containing costs and hold all institutional employees accountable. "At the end of the day, trustees are legally responsible for bringing a larger picture and a larger perspective to bear," says Anne D. Neal, president of ACTA (Kiley, 2012). This expanded role for governing boards differs from the days when board members were primarily entrusted only with the important responsibility of hiring the president and helping out with fund raising efforts, leaving the management of the campus to those who worked directly for the institution. Today, new and increasing pressures for greater board oversight is suggesting new public policy requirements that are increasingly seen through greater board involvement and oversight.

Richard Chait, the highly respected Harvard professor who is a recognized leader in university governance issues, suggests that the shift in how board members perceive their obligation relative to institutional governance reflects the severe and dramatic changes that have occurred during the recent economic crisis and its impacts on the business world. "When you come from a world, as many trustees do, where one day banks were imperiled, mortgage companies were bankrupted, where Best Buy can be a winner one day and wake up the next and be obsolete, and then you hear this message, fomented by some people inside the academy like Clay Christensen [author of *The Innovative University*], who have a view that this is an unprecedented time that requires exceptional action, that's a

message that makes sense in that world.” In effect, board members are being called upon to demonstrate significantly different attitudes toward governance than in the past. “They’re thinking, ‘If I’m ultimately responsible, along with my colleagues, I can’t just leave it to the president to do all the thinking,’” he concludes (Kiley, 2012).

Interestingly, while increased public accountability of board members appears to be emerging, not all trends point to the expected greater public policy influence. For instance, a new model of higher education governance is occurring in the State of Vermont, where the University of Vermont board is now appointing some of the board members themselves rather than the Governor, in the hope of creating greater independence. In late June of 2012 a group convened by the governor recommended decreasing state representation on the board, saying public representation hinders the university’s “ability to raise its profile within the state and nationally, raise needed dollars and recruit future trustees and supporters.”(Kiley, July, 2012). Members of that committee said political appointees often are not well equipped or interested in dealing with the issues confronting boards, such as finding new sources of revenue, cutting costs and creating new partnerships in curriculum within high employment demand areas (technology, computer science, and applied business), convenience in course availability, year-round operations, career placement, and lowering costs of operations. In short, the land-grant university in the Green Mountain State seems to recognize it needs a board that will let it grow and compete in ways it probably cannot if it is constrained by interference from traditional public policy structures. While this could be seen as a move away from a more intrusive public policy agenda, another way of viewing this change is to recognize the impending emergence of more powerful forces demanding real governance change that cannot be responded to within the current system of political appointments and

government oversight. How this ultimately plays out relative to governance reform and policy implications will demand further study and serious consideration.

The very question of board member responsibilities and the sometimes inherent conflicts of interest that emerge when members serve on multiple boards can perhaps be summarized as “the broader institutional and political-economic dynamics that set the context in which networks of trustees shape institutional policies” (Pusser, Slaughter, Thomas, 2006, p. 770). In other words, board members need to become much more aware of their loyalties and responsibilities and be much less interested in the status that board membership has historically brought to the individual board member.

All of these pressures described are placing increased demand on presidents of higher education institutions and impacting how governing boards view their roles, which will undoubtedly create new and important pressure points on the public policy agenda. “Protracted financial challenges since the 2008 recession mean that administrators are making more contentious decisions, such as program closures (Emory), changes to employment policies (Saint Louis) or expansion plans (NYU) that in better times might not have been made or might have been considered through a more deliberative process with more faculty input” (Kiley, April 23, 2013).

These intense pressures are increasingly resulting in votes of no confidence by faculty senates on the performance of institutional presidents on all kinds of campuses across the country. However, most governing boards today tend to stand strong with their presidents and several reports suggest that faculty votes of no confidence have actually lost much of their influence on the career fortunes of presidents. This waning influence of such faculty decisions points to what Kingdon creatively describes as “the pressure model” of public policy, in which some “...items are prevented from rising on the agenda, as when a budget constraint

operates to rule out the emergence of items that are perceived as being too costly. Some items may not rise on the agenda because of the financial costs, the lack of acceptance by the public, the opposition of powerful interests, or simply because they are less pressing than other items in the competition for attention” (Kingdon, p. 18). Thus, a strong case can be made that faculty influence within higher education has thus diminished as other public policy concerns for increased access, cost containment and improved outcomes have risen in counter balance to faculty influence.

Other public policy challenges confronting higher education includes increasing pressure calling for improving educational quality, calls for changes in federal loan eligibility, demands for improved graduation rates, and ensuring gainful employment for graduating students – all of which points to the likely emergence of fresh demands for greater accountability and transparency relative to student learning outcomes and ultimately to holding higher education officials, including governing boards, accountable in new and creative ways. These pressures suggest it will be governing board members themselves who will be asked to explain why they did not intervene to ensure the delivery of a quality educational product from the institution on whose board’s they serve. These emerging challenges align well with Kingdon’s theory that issues have a way of coupling, which ultimately leads to the development of public policy solutions. “Events do not necessarily proceed in similar order in several different case studies; instead, many things happen separately in each case, and become coupled at critical points” (Kingdon, p. 206). This may be what is about to occur in higher education as diverse issues evolve to converge in a way that places enough pressure on the system to force change, particularly as it relates to institutional governance standards. Indeed, as institutional governing boards gradually demand change in how they operate, another pressure point emerging concurrently are new

federal calls for reform of the long standing higher education accreditation system and approved governance standards.

The Obama Administration is calling for dramatic new benchmarks to be placed "...into the existing accreditation system by establishing a new, alternative system of accreditation that would provide pathways for higher-education models and colleges to receive federal student aid based on performance and results" (Kelderman, February 13, 2013). It's most unusual for the President of the United States to refer directly to accreditors in a State of the Union Address, which is a very clear example of the President's attention and focus on finding solutions, similar to what Kingdon cites as, "...advocacy of solutions often precedes the highlighting of problems to which they become attached" (Kingdon, pp. 205 – 6). Here again a solution is being offered, in this case the call for new and reformed accreditation systems, prior to the full development of a clear consensus that a policy problem actually needs addressing.

Remarkably, it does not appear that higher education governing boards themselves are nearly as concerned as other stakeholders are about the role of governance and calls for new levels of accountability. This perhaps is best demonstrated by examining the issue of cost. What institution's charge has long required the approval of the governing board and board members have generally been concerned that they not approve tuition rates beyond what the market can bear. However, while board members appear concerned about overall cost, their concern appears to be more focused on other colleges and universities according to a survey conducted by the Association of Governing Boards of Universities and Colleges (Reports and Surveys, n.d.) who questioned more than 2,500 board members. While board members generally expressed concern that higher education is too expensive, they also expressed that the price is just about right at their own institution. Almost half concurred that their own institution could do more to

reduce expenses, yet, almost an equal number said their institutions were already doing all it can to control operating expenses and costs (Reports and Surveys, n.d.).

This apparent lack of connection between current governing board members and the emerging issues putting pressures on the higher education system extends to board members who say their institution already prepares graduates well for life, careers, and citizenship, and their institution does so better than higher education in general. The AGB study goes on to find that most board members agree that universities are essential to the economy and need to do more to graduate enrolled students. Yet, they do not appear to have a plan for how to address this at their own institutions. It seems clear that many governing board members are simply not translating public concerns about higher education into action decisions on their own campuses.

While it's understandable that board members believe their own institutions are not part of the problem confronting higher education in general, the case can be made that needed reforms will never reach the point of putting the requisite pressure on the system required for higher education reform to occur without greater engagement and acknowledgement of public policy concerns from governing boards members themselves. As Kingdon concludes, almost any public policy agenda will "...encounter considerable doses of messiness, accident, fortuitous coupling, and dumb luck. Subjects sometimes rise on agendas without understanding completely why" (Kingdon, p. 206).

While higher education governance may well encounter uncertainty as demands for public policy change develops, in reality, a strong counter case can be made that American higher education is nowhere close to experiencing any genuine change in how institutions are governed, managed and perform. Nevertheless, the need to address the compelling questions relative to how higher education can successfully move forward, serve an increasingly diverse student

population and meet the rising workforce demands of the business community calls for a response from the higher education sector that it is unprepared to answer. This may lead to the implementation of change in the face of the sectors intransience and resistance.

Entrusted with the stewardship of the institutions on whose board they serve, governing board members are historically and morally called upon to respond to the policy challenges confronting postsecondary institutions, students and communities. Without such responsiveness ultimately some kind of reform will likely be imposed from a federal government increasingly frustrated by the road blocks, obstinacy and general contempt far too many in higher education display in response to calls for change. As a sector, higher education in the United States is a loose confederation of distinct institutions and not a national system. However, federal investment and public policy is increasingly being directed at just such a system. It does not take a large leap of faith to envision policy changes that require greater conformance, uniformity and compliance in the near future.

With public confidence in higher education at historic lows, state funding declining dramatically across the country and traditional advocates increasingly silent in defense of the status quo, the situation is ripe for what Kingdon cites as a pattern of policy processes emerging, the coupling of structures and the influence of constraints on the system (Kingdon, p. 206).

On questions of governance, many in higher education appear to not yet see the storm clouds gathering around calls for national accreditation, demands for strict compliance with outcome based measurements and federal funding increasingly tied to specific workforce demands. Members of most higher education governing boards would be well served to heed the warnings of those predicting substantive change, or perhaps simply listen more attentively to the inquiries of influential leaders consistently seeking evidence of effective change

and commitment to a reform agenda from institutions. A compelling case can be made that a coupling of policy issues may suddenly and un-expectantly emerge, generating public policy actions that could dangerously and swiftly sweep aside the valued traditions of higher education in general terms and the current structure of governance in particular. All this to the possible detriment of students and other key stakeholders the sector is called to serve.

References

1. **How Boards Oversee Educational Quality: a Report on a Survey on Boards and the Assessment of Student Learning.** Washington: Association of Governing Boards of Universities and Colleges. 2010. Retrieved from <http://www.agb.org>. (eng)
2. **Floyd C. E.** Know Your Competitor: Impact of for Profit Colleges on the Higher Education Landscape. *New Directions for Higher Education*. No. 140. Pp. 121 – 129. (eng)
3. **Kelderman E.** Obama's Accreditation Proposals Surprise Higher-Education Leaders. *The Chronicle of Higher Education*. 2013. Retrieved from <http://chronicle.com/article/Obamas-Accreditation/137311>. (eng)
4. **Kiley K.** High Stakes in the Boardroom. *The University of Virginia Magazine*. 2013. Retrieved from http://uvamagazine.org/features/article/high_stakes_in_the_boardroom. (eng)
5. **Kiley K.** Vermont Group Proposes Making More of Flagship University's Board Private. *Inside Higher Education*. 2012. Retrieved from <http://www.insidehighered.com/news/2012/07/25/vermont-group-proposes-making-more-flagship-universitys-board-private>. (eng)
6. **Kiley K.** Votes of no Confidence Proliferate but their Impact Seems Minimal. *Inside Higher Education*. 2013. Retrieved from

<http://www.insidehighered.com/news/2013/04/23/votes-no-confidence-proliferate-their-impact-seems-minimal>. (eng)

7. **Kingdon J. W.** Agendas, Alternatives, and Public Policies. Boston: Longman. 2011. 253 p. (eng)

8. **Pusser B.**, Slaughter S., Thomas S. L. Playing the Board Game: An Empirical Analysis of University Trustee and Corporate Board Interlocks. Journal of Higher Education. 2006. No. 77 (3). Pp. 387 – 413. (eng)

9. **Snair S.** What Colleges Could Learn from the Real Estate Crash. Journal of College Admission. 2010. No. 208. Pp. 4 – 5. (eng)

10. **Reports and Surveys.** Association of Governing Boards. Retrieved from <http://agb.org/reports/2010/2010-policies-practices-and-compositiongoverning-boards-public-colleges-and-universities>. (eng)

11. **Weisbrod B. A.**, Asch E. D. The Truth about the “Crisis” in Higher Education Finance. Change. The Magazine of Higher Learning. 2010. <http://www.changemag.org/Archives/Back%20Issues/January-February,2020/10/full-the-truth.html>. (eng)

Хорган Т. Р. Новий погляд на роль державної політики та управління в американській вищій освіті

У статті обґрунтовано необхідність розробки нової державної політики, спрямованої на розв’язання нагальних питань американської вищої освіти: створення нової системи акредитації, функціонування освіти в умовах зростання її вартості, обмеження федерального фінансування освітніми галузями, які відповідають потребам ринку праці, визнання академічної успішності та подальшого працевлаштування як критеріїв оцінювання якості роботи ВНЗ тощо.

Зміни в управлінні вищою освітою США призвели до того, що члени наглядових рад відтепер беруть участь у функціонуванні тих сфер життя навчального закладу, які раніше завжди належали до компетенції лише адміністрації та/або викладачів. Це, а також проголошена федеральним урядом необхідність реформування усталеної системи акредитації національної системи вищої освіти з метою акомодатії нових моделей її функціонування визначають ті галузі, які чекають на розробку нової державної політики.

Ключові слова: вища освіта, державна політика, управління, нагляд, контроль, наглядова рада, місцеві та федеральні органи влади, акредитація.

Хорган Т. Р. Новый взгляд на роль государственной политики и управления в американской системе высшего образования

В статье обоснована необходимость разработки новой государственной политики, направленной на решение ключевых вопросов американской системы высшего образования: создание новой системы аккредитации; функционирование образования в условиях повышения его стоимости; ограничение федерального финансирования областями образования, которые соответствуют современным потребностям рынка труда; признание академической успешности студента и его дальнейшего трудоустройства основными критериями оценки качества работы вуза и т.д.

Изменения в управлении высшим образованием США привели к тому, что члены наблюдательных советов отныне участвуют в функционировании тех сфер жизни учебного заведения, которые ранее входили в компетенцию исключительно администрации и/или преподавателей. Это, а также провозглашенная федеральным правительством необходимость реформирования сложившейся системы аккредитации национальной системы высшего образования с целью аккомодации новых моделей ее

функционирования, определяют те области, которые должны быть разработаны новой государственной политикой.

Ключевые слова: высшее образование, государственная политика, управление, надзор, контроль, попечительский совет, местные и федеральные органы власти, аккредитация.

Horgan T. R. The Changing Role of Public Policy and Governance in American Higher Education

The article exposes the need for the development of new public policy initiatives to resolve compelling questions facing American higher education today (calls for establishing a new, alternative system of accreditation; escalating costs of higher education compounded by federal funding increasingly tied to specific workforce demands; the need to redefine the public understanding of affordability, quality, and access; growing public attention to completion rates and gainful employment, etc.). In this regard, the author opines on the changing role of some of the key agents of postsecondary governance and oversight: institutional boards of trustees, accreditors, and state and federal governments.

With institutional governance being redefined in the United States, board members' engagement into the areas of institutional effectiveness, such as academics and admissions, in ways that historically were reserved to the administration and/or faculty, is expanding. Furthermore, the modern higher education landscape now requires that boards be placed under new levels of public accountability and exercise a more businesslike approach to their responsibilities. These, along with new federal calls for reform of the long-standing national higher education accreditation system to provide pathways for new higher education models, create important pressure points on the public policy agenda.

Key words: higher education, public policy, governance, oversight, regulation, board of trustees, state and federal governments, accreditation.

Peer review: Kurylo V. S.

The article was received by the Editorial Office on 20.06.2013

The article was put into print on 30.08.2013