

## HIGHER EDUCATION SYSTEMS IN TRANSITION

Comments prepared for the Joint Meeting of the Florida College System Task Force and the State College Pilot Project

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### Introduction

In these remarks, I will speak to three points. First, I'll describe a way of thinking about the task in which you are engaged that we have developed out of work with state higher education systems over the past seven years. Our conceptual framework suggests that changing system outcomes like the number of baccalaureate degrees produced involves changing the rules in use. State rules in use at the institutional level are nested in system rules. My assignment is to talk about systems in transition, so I will focus primarily at the level of system rules, but system rules and institutional rules are so closely intertwined that I cannot avoid talking about both. When I use the term, "system," I mean all higher education in Florida and not just the Florida College System.

After describing my conceptual framework, I will describe several examples of system transitions in other states, and suggest some of the insights that might be drawn from them for your work.

Finally, I will comment on the nature of state colleges and consider some of the issues you are likely to face in trying to systematize the process through which community colleges become state colleges without giving up their community college functions.

### Rules in Use and System Performance

The two most common motivations for efforts aimed at transforming systems is dissatisfaction with performance or concerns about cost. Both of these are pretty clearly at work here. Florida wants a higher proportion of its workforce to have bachelor's degrees and the state does not believe that this outcome can be achieved efficiently through the efforts of the system as currently designed. So the legislature has asked that you produce recommendations for changing the rules. Rule changes can produce both intended and unintended consequences so most states use pilot projects and build in the requirement for assessing results after some trial period. This seems pretty much the way you are proceeding. In systems, everything affects everything else so you can't change just the rules for community colleges without considering the impact on other institutions.

Rules of the game include both formal policies such as statutes and agency regulations and informal norms and values that determine how actors make operational decisions when planning, reviewing programs or allocating resources. Rules are central to the coherence and performance of higher education systems. While you talk about transforming the system in the future tense, it seemed to me that the rules have already changed for nine of your former community colleges with others waiting in the wings. Far from being asked to lock the barn door after the horses have strayed, you are being asked to build a new barn that will reflect where the horses are now rather than where they used to be. One of my surprises in reading for this assignment was to learn that at least three other major community college states have examined the possibility of community colleges awarding baccalaureate degrees at the system level and two are currently involved in pilot projects. This is in addition to the institutions operating as exceptions in other states mentioned by Commissioner Smith in his background paper.

So the focal question is how do you translate the experiences of the Florida institutions during the past five years into rules that preserve desirable aspects of state leadership, treat all similarly situated institutions equitably and, and provide a road map to other institutions that have yet to set foot to this particular path. A closely related question is how do these practices compare with state colleges elsewhere in the nation. In our studies of change in state higher education systems, we have found it useful to think about six different rule categories. I will focus on the four that seem most relevant to the types of changes you are involved in making.

The first is system design and that category is clearly at the center of your effort. System Design includes rules about the relationship between government and higher education, the degree of central planning, how authority is exercised, the role assigned to private colleges and universities, and the use of non-baccalaureate granting institutions. Table 1 provides examples of rules in use among the five states in our recent studies.<sup>1</sup> Since none of these states in the recent past have either developed new state college systems or authorized community colleges to award the baccalaureate degree, these system design rules do not appear among those listed. The rules for this category have been assigned by your transformation plan to the workgroup on mission, vision and governance, but they also are closely linked to the assignment of workgroup 3 on the baccalaureate degree program approval process.

A second category, state leadership reflects those rules having to do with the way state governments choose to exercise authority over at least their public

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<sup>1</sup> Tables 1- 4 are from: Richardson, R.C. and Martinez, M.C. (Forthcoming in 2009) *Policy and Performance in American Higher Education*, Baltimore, MD: John Hopkins University Press. The five states are California, New Jersey, New Mexico, New York, and South Dakota.

institutions, the rules they use to influence higher education professionals to pursue goals and priorities that are defined by elected officials as “in the public interest”, and the operational flexibility or “autonomy” provided. Table 2 provides examples of these rules. One challenge you face here is to decide if system rules for the approval of bachelor’s degrees need to include more central planning and oversight than the ones in use for associate degrees. The rules for this category also relate directly to the mission, vision and governance workgroup, but will also influence workgroup 3.

The rules you are thinking about changing in a third category, access and achievement, includes access to the baccalaureate, assessment of learning outcomes, and coordinating student transitions. These rules, samples of which are displayed in Table 3, have been assigned to workgroup 2, (becoming a state college, defining characteristics and transition criteria). What struck me most about this category was the number of rules you have been told not to change. Clearly, the state does not want to sacrifice its articulation achievements, its remedial programs or the level of access as the price for more baccalaureate degrees. Member of this work group probably anticipate spending as much time worrying about how to keep the valued rules in effect as in developing new rules.

The fourth category, fiscal policies, refer to strategies used to allocate and administer the financial support governments provide directly to institutions, public support for private institutions, locus of authority for establishing tuition and fees, basis for funding research universities, and the use of low-cost, non-baccalaureate institutions. These rules samples of which are displayed in Table 4, are pretty clearly in the province of your fourth work group on funding options. Your challenge here is to try to figure out how to fund the costs of upper division instruction in a way that reflects substantial savings over the costs for similar degree programs in the state university system, but still takes into account the additional costs you will incur, not all of which will be directly related to instruction. The elephant in the room here is the long tradition of states paying whatever they feel they can afford rather than what formulas say they ought to pay.

As I look at the organization of your transformation effort in the light of our conceptual framework for system change, it is clear you are addressing all of the rule categories that are important. The most common mistake states make in system change efforts is to fail to recognize the range of rules that need to be addressed (focusing exclusively on governance for example). The way you have tackled this problem reveals your extensive experience in changing rules for Florida higher education. In fact, those of us who study higher education have watched the number of recent rule changes in your system with some amazement.

### System Change

Rule changes are always uncomfortable for those who have learned how to achieve their goals under one set and must now face the uncertainty of how to play the game

under a new set. There is also the justifiable concern that any change of rules will create new winners and new losers and no one wants to give anything up. At the same time, educational systems are created to serve people not the other way around. And states have both a right and a responsibility to change the rules when new needs emerge. It makes sense that Florida would turn to already existing institutions rather than establish new ones to address what many have observers have long perceived in this state as a gap between access institutions and those granting the baccalaureate.

Some recent examples of states that successfully changed rules to achieve different outcomes as well as one that has tried and failed may furnish some context for your task. .

Indiana long had one of the lowest participation rates in higher education of any state in the country. Historically, university leaders in Indiana, working with rural and agricultural interests, had been successful in blocking the development of comprehensive community colleges. In 2002, as a result of dissatisfaction with levels of participation, policy leaders made the decision to change the rules for Ivy Tech, a public institution with campuses across the state that had been limited to offering 2-year work related programs. The first attempt was a forced marriage between Ivy Tech and Vincennes University, the states only comprehensive community college. After much unhappiness and poor results, the union was dissolved in 2007 and Ivy Tech authorized to offer its own transfer associate degree. The states public universities were required to accept Ivy Tech courses and degrees through rules undoubtedly copied in part from Florida's well known and highly regarded 2+2 system. Participation rates and related indicators have begun to improve. This change is like yours in the sense that it expanded the role of existing two-year institutions and that it took into account the impacts of the change on other parts of the higher education system. It is unlike yours because there were plenty of models for the steps Indiana took and because Indiana has a single board for its new community colleges that governs all of the campuses.

Washington and Texas are two other states with large comprehensive community college systems that currently have pilot projects where community colleges have been authorized to award the baccalaureate degree. Three community colleges in Texas and four in Washington have each been approved to offer a single baccalaureate. In both states, all institutions with pilot projects have them because of specific legislative intervention just as was the case with the first programs in Florida. Neither of these states has reached the point where it is involved in changing system rules to reflect the emergence of a new type of institution. I'm sure they are watching your efforts here with great interest.

A community college in Illinois (William Rainey Harper) requested approval to offer an applied bachelor's degree in 2004, but the request never made it past the Illinois Board of Higher Education. It is interesting to note that the three states where community college baccalaureate degrees are going forward are all states with strong legislative involvement and coordinating boards that are either relatively

weak or as in Florida, nonexistent. Illinois, by contrast, is a strong governor state with a strong coordinating board. The community college baccalaureate thus seems to be a populist movement that springs from the aspirations of many people rather than the strong leadership of a few. It is this characteristic that makes me think developments in Florida, Texas and Washington are only the camels nose which is now well under the higher education tent.

Other examples of associate degree institutions authorized to award the baccalaureate degree are in systems, which seem too different from Florida to furnish much guidance. Community colleges that are supervised by a governing board that also has responsibility for baccalaureate granting institutions (New York, Hawaii, Nevada, Utah, Minnesota, Georgia and Vermont) are part of systems that have well defined rules for the approval of baccalaureate degrees along with the power to ensure that exceptions do not become a threat to the rule as they have in Florida where each community/state colleges has its own governing boards.

California has a public higher education system that many observers both inside and outside the state believe needs to change. While the state enjoys a concentration of world class research universities along with costs that are close to the median among the fifty states, performance on many undergraduate indicators is below average and the critically important community colleges are under financed and notoriously hard to focus on any set of state priorities despite frequent legislative interventions. The primary barrier to change is the 1965 California Master Plan, which is not really a plan at all. It is instead, as described by Clark Kerr its principal author, a treaty among the segments that distributes responsibilities in a way that was designed to eliminate competition among the three segments. Most knowledgeable observers believe that it also eliminates accountability and the influence of market factors. Independent institutions have no role in meeting state needs and there is no state agency with the responsibility for overseeing all of higher education. As a result, systemic changes of the sort you are making rarely occur unless they are perceived by all institutional actors to be in their best interests. In short, academic and institutional interests trump the public interest in California whenever the two are perceived to be in conflict.

### What is a State College?

All of the states mentioned as well as most others have higher education institutions called state colleges or universities that serve as linchpins for their systems by bridging the gap between community colleges and research-intensive universities. The California State University campuses, for example, do most of the heavy lifting in that system. It is hard to overestimate their importance. Deciding about the defining characteristics of a state college is no easy task as your work group I am sure has already discovered. There is also some question of the wisdom of defining too narrowly an institutional type that traces its roots to such diverse origins as two-year normal schools, textile institutes, HBCUs, branches of state universities and now community colleges.

State colleges have evolved from many different points of origin and they continue to evolve as evidenced in this historic meeting today. While the story of their development is less well known than for community colleges, during the 1950s and 60s, they accommodated as many additional students through expansion and mission changes as did all of the new systems of community colleges created by all of the states. Like community colleges, state colleges have been seen and have seen themselves as opportunity institutions. The web site for the national association that serves most state colleges (AASCU) defines its membership as follows:

We are public. We range in size from 1,000 students to 44,000. We are found in the inner city, in suburbs, towns and cities, and in remote rural America. We include campuses offering associate degrees to complement baccalaureate studies. We are both residential and commuter. We are institutions of access and opportunity. We are student-centered institutions. We are "stewards of place."

This description probably includes a lot of the language that your work group on vision and mission will consider adopting in some form. Most state colleges are essentially open access and do a significant amount of remediation. Only recently have governing boards placed limits on remediation in state colleges and only in systems that were well served by open access community colleges. Table 5 compares AASCU membership in Florida with membership in the more research oriented National Association of State Universities and Land Grant Universities. Note that three institutions belong to both associations. Should Florida's new state colleges consider belonging to AASCU as well as AACC as a strategy for ensuring that they do not become too isolated from mainstream higher as they evolve into institutions with more emphasis on the baccalaureate?

The Community College Baccalaureate Association headquartered in Fort Meyers is a very interesting organization with a very helpful web site. Will this organization become the primary affiliation for community colleges offering the baccalaureate rather than AASCU? Would such a development limit baccalaureate work in community colleges to a community focus and to strategies similar to those used in delivering work-related associate degrees? Would this direction best serve the needs of the state for an institutional form that operates in the middle ground between community colleges and universities? Most states have such institutions. Can Florida overcome its competitive disadvantage in awarding baccalaureates without them?

The most recent Carnegie Classification Scheme defines the category of Associates colleges as institutions whose "highest degree conferred was the associate's degree or where bachelor's degrees accounted for less than 10 percent of all undergraduate degrees." In the 2003-04 database used to place institutions within Carnegie scheme, there were just 18 primarily associate degree institutions that awarded baccalaureate degrees. Twelve were campuses of state colleges or universities. Of the six community colleges, four were in Florida and one each in New Mexico and Nevada. If this analysis were done today, the number would at least be quadrupled

and St Petersburg might well be closing in on the number of degrees that would boost it into the baccalaureate category.

So another question is how will Florida use the position of leadership it currently occupies in the development of state colleges? Will the rules you adopt encourage new institutions to fully embrace the state college role so that they become the linchpins and connectors for Florida students? Or will the rules allow or even encourage them to remain local institutions that also offer some baccalaureates to meet local community needs? Will programs be available to all state residents or essentially restricted to geographic regions? Will planning be statewide or regionally based? Will the rules encourage collaboration or competition between community/state colleges and the state university system institutions that share similar interests and missions?

Some of these questions will have to be answered in terms of present political realities, but the vision and related rules can embrace or reject a broader ultimate vision. As evidenced by the experiences of Indiana, current compromises and arranged weddings may or may not produce the hoped for outcomes. Would it make sense to think of your task as the first phase of a transition that must be revisited when the results of the rules you adopt become visible? Should you build in a schedule and scheme for post transition reviews as other states have done?

#### And, what about the Bachelor's Degree Approval Process?

My questions are not simply about how you balance the tensions between the desire of institutional boards to maintain as much decision authority as possible and the need of the state to have some reasonable level of comfort with the costs and quality of the outcomes generated by your new state colleges. I am also interested in the nature of those programs and in the kinds of opportunities they will provide. Many, if not most, of the community college baccalaureate programs currently described by your colleges that offer them appear to require the associate degree or equivalent for admission and are pretty narrowly focused on practicing professionals who complete the work largely through distance education. Your literature does not identify a faculty with responsibilities for the programs, although I'm sure there are at least in some programs. Where the literature does mention faculty members, it emphasizes the use of adjuncts, who were also employed professionals.

There is of course nothing wrong with this model but these programs represent only a small part of a possible state college mission. To the extent baccalaureate programs address only the needs of already certified and employed professionals, they may be a dubious source for the new workforce-related degrees described in your rationale as essential to the future of Florida's economy. Will it be possible, for example, for qualified high school graduates to enter baccalaureate programs without first completing an associate degree? This is really a question of program design, but the rules for the programs colleges develop are at least as important as how the rules for the approval process. Some colleges award associate degrees to

students in baccalaureate programs when they meet the requirements for this degree and they treat the transition to baccalaureate work as a change of major rather than a new admissions application,

This distinction is not trivial for first generation and minority college students, which you are clearly charged with serving. The degree approval process is closely linked to the nature of the programs. From an outsider's perspective, your current rules place much emphasis on proving that there is no possible alternative to having a community college offer a baccalaureate degree. Does this rule also encourage community colleges to develop baccalaureate degrees that are too narrowly defined and place-specific? I think I read somewhere in the materials you provided that community colleges submitted 22 proposals over the past year or so without a single alternate proposal offered by any other institution?

I wonder as well about the extent to which your well-established and highly regarded community colleges need to be labeled immature when they begin to offer baccalaureate degrees, especially if they have to first achieve level 2 accreditation from the Southern Association. Are your complex state approval procedures aimed primarily at assuring quality and efficiency or are they more accurately seen as ways protecting existing independent and state university system institutions from competition? If the latter, do you worry at all about the effects of removing the market as a factor in influencing institutional services, accountability and costs? Many observers fault the California master plan on precisely these grounds.

While market influences and competition can promote efficiency and accountability, we have also seen in past days the consequences of allowing the markets to entirely escape sensible regulation. Most, if not all states, consider the development of bachelor's degrees to be a state rather than a local community concern. Typically, the process of establishing new programs involves first a statement of state priorities. Institutional plans then address state priorities as well as regional aspirations for new degrees at an early stage of the process. Many states consider approval of institutional plans followed by a summative assessment of demonstrated need, cost effectiveness and quality for new degrees as a part of due diligence rather than an infringement of governing board authority.

Certainly, all of these elements are in play in Florida. As far as I can tell, the primary question is whether bachelor's degrees after the first one will be subject to this process or become a decision by a local board. One way other states have handled this question is by decoupling fiscal support from program enrollments. When an institutional governing board approves a new program, there is no resulting liability for the state in funding that program. Institutions determine the programs they will offer within projections of essentially lump sum state support. What doesn't happen from my observations is that institutions decide the baccalaureate degree programs and the state pays for them on some sort of per capita basis.

One approach is to distinguish clearly between mission change when community colleges seek to offer their first baccalaureate degree and program approval when

institutions already approved to offer the baccalaureate propose new degrees in related fields. Mission change probably deserves the rigorous review that your procedures currently require. Program approvals might well be seen as more of a collaborative effort between the Board of Education and the colleges with a planning process providing advance information of institutional intentions and an opportunity for state intervention when considered necessary

### More About Funding Options

The emphasis in the charge from the legislature is on the direct costs of instruction and on keeping them substantially lower than the costs for comparable degrees in the state university system. At the same time, Florida wants community colleges to maintain their opportunity and remedial functions and to continue as a source of diversity in the workforce. I don't have information about how Florida community colleges are funded for the remedial work they do. You may be the exception to the general rule that community colleges receive less than it costs to do this work well. But, even if you are the exception, I would argue that preparing first generation college students from diverse backgrounds to access baccalaureate degrees and subsequently succeed is a much more difficult and expensive proposition than preparing them to succeed as success has been traditionally assessed in community colleges associate degree work.

How will you ensure that those accessing and succeeding in your baccalaureate programs represent the full range of your student body and include proportional numbers of Latinos and African Americans? Will you limit access to such baccalaureate programs as dental hygiene and nursing to those who have already accomplished such major learning outcomes as licensure and successful practice with all of the implications this has for reinforcing rather than reducing gaps based on race and ethnicity? Or will you find ways of opening these programs up to more representative populations? If the latter, how will you account for the added costs?

My point here is that funding requirements will depend very much on the types of programs you offer. Funding for a nursing or dental hygiene baccalaureate that offers primarily general education courses to licensed practicing professionals using adjunct faculty may actually be considerably less expensive than the related associated degree programs that offer the clinical work. But such programs don't open up these professions to any new students. And existing associate degree programs in nursing and dental hygiene are typically highly selective and the least diverse of all community college offerings.

A final concern has to do with the costs of developing a faculty that will take appropriate ownership of your baccalaureate degree programs and ensure they remain on the cutting edge of the fields for which students are being prepared. I do not refer here to degree credentials, which seem to be covered in exhausting detail in your policy manuals. Rather, I'm thinking of continuing development of the sort expected of reflective professionals who typically are expected to participate in the appropriate associations of similarly situated professionals in other baccalaureate

degree granting institutions. The personnel policies I read from your pilot colleges are similar to those I have seen in other community colleges, but they lacked most of the features I would expect to see in a state colleges. Do your plans for the baccalaureate recognize the need for faculty leadership in these programs? What incentives and supports will you offer to encourage current faculty to stretch themselves and take on added responsibilities? Will you make sabbaticals less of an exception and encourage faculty to use them to earn advanced degrees and credits relevant to you new programs? And how will funding strategies encourage desired institutional responses in these areas? This is certainly one area where state colleges and state universities could closely collaborate to mutual advantage.

As you can see, I have far more questions than answers. Fortunately, the task of coming up with answers has been assigned to your work groups. In the Board of Education scheme for this process, I will have an opportunity to comment as they develop recommendations.

Thank you for listening. In the remaining time I will be happy to hear your comments and questions.

## TABLES

<sup>1</sup> Tables 1- 4 are from: Richardson, R.C. and Martinez, M.C. (Forthcoming in2009) *Policy and Performance in American Higher Education*, Baltimore, MD: John Hopkins University Press. The five states are California, New Jersey, New Mexico, New York, and South Dakota.

<b>TABLE 1: Sample Rules: Design and Governance</b>
The overall structure of higher education in the state was intentionally designed through a process involving a broad and representative group of stakeholders.
An agency of the state has planning and coordinating authority for all public higher education.
An agency of the state has authority to approve new academic programs when cost or duplication could be a concern.
Each IHE has its own governing board with responsibility to appoint a CEO.
Less selective public institutions are subject to greater regulatory authority.
Most geographic regions of the state have an IHE within commuting distance.
Most two- and four-year public IHEs, either statewide or in regional groupings, share a common governing board.
Independent IHEs have a formally defined role in serving the state's higher education needs.
Half or more of all undergraduates are enrolled in 2-Yr Colleges.

<b>TABLE 2: Sample Rules: State Leadership</b>
State goals for higher education are explicitly identified and periodically reviewed.
The Executive branch (e.g., Governor or staff, Secretary for Education or staff, state coordinating/agency) sets forth a policy agenda for higher education.
The state has used deregulation as an intentional strategy to encourage responsiveness and efficiency.
The state has used market forces as an intentional strategy to encourage responsiveness and efficiency.
Elected policy officials and educational leaders work together to plan and establish priorities for higher education.
Colleges and universities have incentives for paying attention to state goals and priorities.
IHEs have operational freedom to design their own strategies for responding to state goals and priorities.
IHEs are publicly accountable for their performance in relation to state goals and priorities according to some established format.
IHEs must have a strategic plan in place as a condition of receiving state funding.

**TABLE 3 Sample Rules: Access And Achievement**

A system of locally-responsive community colleges provides open access to state residents.

The state has a coordinated program for improving access to higher education for residents facing economic or educational disadvantages.

Transfer between two- and four-year IHEs is governed primarily by statewide policies that enforce common standards.

State policies reward student achievement.

The State uses a standardized examination to determine whether a student graduates from high school

The state uses standardized methods for measuring college student learning outcomes in at least some subjects.

State grants awarded on the basis of need provide eligible students with most, if not all, of the tuition and/or fees at a public institution.

**TABLE 4: State Rules in Use: Fiscal Policies**

A statewide higher education board or agency reviews and/or consolidates IHE budget requests and provides advice to the governor and the legislature.

Operating appropriations for 4-yr public institutions are based primarily on enrollment levels.

State operating appropriations are essentially determined through negotiations between policy officials and higher education leaders.

All four-year IHE governing boards have authority to raise tuition or fees.

Two-year college tuition and/or fees are less than half that of the lowest-cost four-year IHE.

Formal state-level fiscal regulation is focused more on how funds are expended than on what outcomes are accomplished.

Performance on specified indicators related to state goals is one criterion used to determine state funding for institutions.

Independent Colleges receive direct state operating support.

**TABLE 5: Florida Members of NASULGC and AASCU**

<u>NASULGC Members</u>	<u>AASCU Members</u>
<i>Florida A&amp;M University</i> <sup>^</sup>	<i>Florida Agricultural and Mechanical University</i>
<i>Florida Atlantic University</i>	<i>Florida Atlantic University</i>
<i>University of Central Florida</i>	<i>University of Central Florida</i>
Florida International University	Florida Gulf Coast University
Florida State University	University of North Florida
University of Florida <sup>^</sup>	University of South Florida Lakeland
University of South Florida	University of South Florida St. Petersburg
State University System of Florida <sup>o</sup>	University of West Florida
	Florida Department of Education/Division of Colleges and Universities