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Approved: _____
Date: January 26, 1998

MINUTES OF THE HOUSE SELECT COMMITTEE ON HIGHER EDUCATION.

The meeting was called to order by Chairperson David Adkins at 9:00 a.m. on January 21, 1998 in Room 522-S of the Capitol.

All members were present.

Committee staff present: Julian Efird, Legislative Research Department
Carolyn Ramey, Legislative Research Department
Leah Robinson, Legislative Research Department
Jim Wilson, Revisor of Statutes
Leona Fultz, Committee Secretary

Conferees appearing before the committee: Andy Tompkins, Comm. Of Ed., KS State Board of Ed.
Steve Jordan, Exec. Dir. Kansas State Board of Regents

Others attending: See attached list

Representative Adkins introduced Andy Tompkins. He presented the committee with a handout entitled Coordination of Postsecondary Education in Kansas. (Attachment 1). Representative Adkins then introduced Steve Jordan. He presented the committee with a handout entitled Testimony to House Select Committee on Higher Education and another handout entitled State Coordination of Community Colleges. (Attachments 2 and 3). Both Mr. Tompkins and Mr. Jordan answered questions from the committee.

The committee meeting adjourned and the next meeting was scheduled for Thursday, January 22, 1998 at 11:30 a.m.



Kansas State Department of Education

120 S.E. 10th Avenue
Topeka, Kansas 66612-1182

January 21, 1998

TO: House Select Committee on Higher Education
FROM: Andy Tompkins
SUBJECT: Coordination of Postsecondary Education in Kansas

I appreciate the opportunity to visit with you as you seek to improve coordination of postsecondary education in Kansas. As you know, the Kansas Board of Regents currently governs the six public universities in Kansas, and the Kansas State Board of Education coordinates all other public education entities. A striking feature of the system as we know it is that the State Board oversees those educational institutions that have local boards, thus calling for a coordinating role rather than a governing role. The State Board believes that these separate roles underscore the need for two separate entities as they are now configured.

The role that the State Board plays in coordinating the efforts of these institutions includes accreditation of the schools, approval of courses and programs, distribution of state and federal funds, and advocacy for and review of missions. Local boards oversee the day-to-day operations and governance issues.

Additionally, the Board of Regents and State Board of Education have a Joint Advisory Committee on Governance which deals with issues of coordination. This committee renewed the articulation agreement between community colleges and Regents universities last year which provides for the smooth transition of students between institutions, has begun a pilot project to aggregate institutional data to identify areas where service to students can be improved, and are discussing the issues of service areas and residency. Also, the committee has encouraged the development of regional consortia composed of Regents institutions, community colleges, area technical schools/colleges, and private institutions to further improve coordination and cooperation between institutions. Six regional consortia have formed to date and all public, postsecondary institutions are a part of at least one consortium.

Clearly, coordination efforts for postsecondary education in Kansas are already being undertaken. However, improved clarity is needed in terms of exactly what results for the system are deemed appropriate. Also, the system of funding should coincide with the desired results because funding drives behavior. Currently, the community colleges and area vocational schools/colleges in Kansas serve citizens through distinct missions and varied funding sources.

The community colleges in Kansas serve the educational needs of citizens in three primary ways. First, these institutions prepare students in general education coursework that leads to associate degrees which then allow them to matriculate to higher education institutions to complete a bachelor's degree. Approximately 25 percent of the credit hours generated in community colleges are for this purpose. Secondly, community colleges provide training and retraining programs for Kansans. These comprise approximately 40 percent of the credit hours generated. The third area is in customized training for business and industry, and this includes approximately 35 percent of the total credit hours. Other programs offered at community colleges that serve the needs of Kansans include remediation of deficiencies in basic skills, adult basic education, general equivalency diplomas, and personal enrichment. The results of follow-up on the satisfaction of employers with the training received at community colleges has been very high. The community colleges have also been the institutions willing to serve Kansans in their local communities. Community colleges have offered classes in all 105 counties. The funding for community colleges is 26.5 percent from state aid, 4.3 percent from out-of-district tuition, 47.5 percent from local mill levies, 19.4 percent from student tuition, and approximately 1.3 percent from miscellaneous sources. Assessed valuations vary from a low of approximately \$45 million to a high of \$3.8 billion. Mill levies vary from a low of 8.5 to a high of 39.

The mission of the area vocational technical schools/colleges has been mainly to prepare students for a particular trade for immediate employment in the workplace. These institutions have also begun to offer associate degree options for students who want to pursue additional educational opportunities. A strict accountability system has been developed over the years for these institutions. They are required to maintain a certain enrollment and placement rate in each program. Also, they are closely tied to business and

industry for the programs they offer through advisory councils. Currently, the average placement rate for students attending Kansas area vocational schools/colleges is approximately 95 percent. The enrollment in area schools/colleges is 26 percent secondary and 74 percent postsecondary. The funding for the secondary enrollment is through a weighting factor in the school finance formula. The funding for the postsecondary enrollment is 85 percent from state aid and 15 percent from student tuition. Employers have also given high marks to the training received at area schools/colleges.

Carolyn Rampey referenced in her January 16 report to the committee that Aims McGuinness suggested some points for state policymakers to review as they are considering reorganization of a state higher education system. I too would suggest that you identify what you want from the system and then decide how best to get what you want. Some of the issues I would suggest that you consider include the following:

- *What are the specific issues that have led to the interest in changing the system?
- *Do we consider community colleges and technical schools/colleges as local or state institutions?
- *If these institutions were serving Kansas citizens in an exemplary manner, what would they be doing and how is that different than what they are doing now?
- *To what extent do we need to change the system to get the improvements that we want?
 - What changes in legislative expectations are needed to get what we want?
 - What changes in the funding of these institutions would provide the incentives needed to get the improvements that we are seeking?
 - What changes in the governance and/or coordination system for these institutions are needed to get the improvements we want and will allow them to best respond to the educational needs they serve?

Our postsecondary institutions serve a variety of educational needs for our citizens. The U.S. Bureau of Labor Statistics continues to project the need for about 20-25 percent of our workforce in the professions, a percent that has remained stable for the past 50 years. Therefore, the traditional missions for our higher education institutions will definitely continue and expand as the need for additional training for the professions

grows. However, the educational needs of the remaining 75 percent of our workforce will require more knowledge and higher skills as well as opportunities for lifelong learning. Thus, the well being of our citizens and the health of our economy are directly linked to the ongoing educational opportunities available to them through our postsecondary institutions.

Testimony to House Select Committee on Higher Education
Stephen M. Jordan, Executive Director
Kansas Board of Regents
Jan. 21, 1998

Mr. Chairman: On behalf of the Board of Regents, I appreciate the opportunity to address the committee today to discuss the coordination and governance of our state's system of higher education. Aims McGuinness, Jr., a national educational consultant who recently testified before the Kansas Special Committee on Education, predicted in 1994 that one of the most important challenges of the next decade would be shaping the structures and policies for a constructive relationship between the state and higher education.

The history of the higher education system in Kansas and its efforts at restructuring have been well documented. The options have been defined over time through a series of legislative studies. The Board of Regents believes it is now time to use what we have learned from these studies to build an accessible and affordable coordinated system of quality postsecondary institutions.

As this committee is well aware, our state has a diverse array of higher education institutions, with a rich tradition of diversity. These institutions educate more than 160,000 students each year. They offer more than 1,000 separate degree programs and award over 16,000 degrees and certificates at the undergraduate, graduate and professional levels.

Kansas students are served by more than 50 postsecondary educational institutions, including:

- 6 state institutions;
- one municipal university;
- 19 independent colleges and universities;
- 19 public community colleges;
- 4 Technical Colleges; and
- 7 Free-standing area vocational-technical schools.

In addition there are three Bible colleges, more than 60 proprietary schools and seven colleges located outside of the state that offer courses in Kansas. All of these institutions offer Kansans a variety of academic choices.

The current governance system of these institutions is highly fragmented with responsibility shared among the State Board of Education, the Kansas Board of Regents, and local boards that are responsible for the community colleges, the independent colleges and universities and others. Amidst this loose confederation of institutions and boards there is not one organization that has responsibility for coordinating and integrating the activities of these diverse institutions, except the Governor and the Legislature.

Central to this discussion, then, is the question of whether the State is providing the stewardship and advocacy necessary for meeting the higher education needs of Kansans in a manner which maximizes institutional quality, accountability and the effective use of both public and private resources. If not, then we must begin a careful and thoughtful discussion about what coordination and governance means to the Kansas system of higher education.

The Board of Regents does not question the importance of preserving and enhancing the diversity of the array of higher education institutions in Kansas. As we monitor current and predicted trends, the Board and the universities recognize that all postsecondary institutions have an important and unique role in the educational system.

The Board of Regents voiced its concern for the need for overall postsecondary education coordination in 1996. The Board agreed at that time that coordination of postsecondary education was necessary for a seamless system and would accept that responsibility if necessary.

The Board's resolution was directly related to a vision statement adopted by the Kansas Council on the Future of Postsecondary Education. That vision statement is a goal shared by educators, legislators and the public, alike. ***"Kansans expect the public system of postsecondary education to be seamless and capable of sustaining life-long learning."*** For this goal to be met, the Board of Regents continues to believe that higher education should be coordinated based on a broad master plan that looks at all aspects of postsecondary education.

In response to a 1997 legislative proposal, House Bill 2119, the Board offered amendments to the sponsors that would prescribe the responsibilities for a state coordinating authority. At that time, the Board suggested amendments to further Kansas postsecondary education coordination by:

- developing a master plan which takes into account the resources of the state universities, the public community colleges and Washburn University;
- developing and implementing a process for reviewing statements of institutional mission, role and aspiration;
- defining academic degree programs and approving institutional requests for new degree programs;
- overseeing a process for program review of all degree programs;
- exploring opportunities for institutional affiliations, mergers and/or consolidations;
- developing and promulgating policies and procedures on transfer and articulation, including the transferability of lower division course credit among public higher educational institutions.
- developing policies and procedures for the coordination of off-campus courses and programs, including off-campus service areas, to eliminate unnecessary course and program duplication and to promote institutional cooperation and specialization in off-campus programming.
- establishing and maintaining a higher education management information system.

Many of the current arguments against transferring coordination of the community colleges to the Board of Regents are based upon past proposals and a failure to differentiate between governance and coordination. The Regents believe that community college boards should continue to govern community colleges, including employing their own presidents and staff, approving their campus budgets and importantly, meeting community training needs. However, the coordination of Kansas postsecondary education must be strengthened if we are to continue to provide the array of quality educational programs that Kansans expect at an affordable cost while minimizing unnecessary duplication.

Why should the Board of Regents coordinate postsecondary education? The Board of Regents has a single sphere of responsibility - postsecondary education. As a result, the Board has been able to focus its activities on the problems and opportunities facing higher education in Kansas. Let me briefly highlight some of these activities which demonstrate the Board of Regents ability to coordinate public higher education in Kansas.

1. The review of academic programs is one of the Regents' primary responsibilities. In 1993, the Board completed a review of all academic programs in the Regents system which resulted in over 180 program and unit changes and the reallocation of \$18 million. The Board recently approved a process for a new review of every academic program in the Regents system over an eight-year period.
2. The Board has approved a pre-college curriculum for the implementation of Qualified Admissions and has overseen the efforts of the Board staff and the universities in developing implementation guidelines.
3. The Board implemented policies for the annual written review of every faculty member, reward systems based upon performance and a restructuring of the use of faculty time and talent.
4. The Board implemented *Vision 2020* aimed at assuring that the Regents universities and their academic programs are relevant to the needs of Kansans in the 21st century.
5. The Board completed a comprehensive review and modification of its distance education policies to encourage the universities to deliver degree programs through various forms of mediated instruction.
6. In cooperation with the Governor and the Legislature, the Board implemented a set of core and institution specific performance indicators for all six universities.
7. The Board completed a comprehensive evaluation of its buildings and with the support of the Governor and the Legislature a program was approved and initiated for the issuing of \$163 million in bonds. These bonds allow us to bring our campuses within full compliance of ADA and Life Safety standards. Extensive remodeling of classrooms also updates classrooms so faculty can better utilize computers and other forms of teaching technology.

The Board continues to support the amendments it offered to H.B. 2119. The proposed amendments specifically stated that the Regents would not prevent nor inhibit the ability of the community colleges or Washburn University to respond to the local education needs of their approved service areas, including certificate, workforce training and noncredit courses and programs, except as these would require approval of new academic degree programs.

The Board of Regents currently manages many of these responsibilities for the six state public universities. The Regents believe expanding those responsibilities to include community colleges and Washburn University would strengthen the institutions and enhance the system as a whole.

We do not claim that coordination can't occur without the proposed changes. I can point to a number of activities that exemplify how Regents universities are working in partnership with community colleges. However, continued tight resources and rapidly increasing needs, demand an efficient system that considers available resources and is accountable to taxpayers and students.

The time has come for Kansas to take a hard look at the issues that are already impacting the future of higher education. We must support an increasing number of students who traditionally stay in Kansas to continue their education. We must address the challenge of funding our institutions of higher learning so they can continue to build on their traditions of high quality teaching while staying on the cutting edge of technology.

Mister Chairman, the Board of Regents appreciates the opportunity to offer these comments to you today. I would be pleased to answer any questions you might have.

8. The Board initiated and implemented an effort to deregulate authority to the campuses by reviewing and modifying its own policies and by seeking legislative authorization to delegate authority for certain management functions from the Board to the presidents and Chancellor. This effort was based upon the Board's responsibility to do the right things -- policy -- and on the CEO's responsibility to do things right - manage the universities.
9. The Board has implemented new policies and procedures for the written evaluations of its presidents, chancellor and executive director.
10. The Board spent much of its retreat this past August focusing on **The Future of Higher Education in Kansas**.

I am providing copies of a document that outlines national higher educational issues and how we are responding to those issues and concerns in Kansas. I am also distributing more comprehensive information about some of the Board's recent accomplishments. You will see that most of the Board's efforts are a reflection of its focus on coordination and are examples of what the Board believes should be occurring in the broad arena of higher education. These examples clearly demonstrate that the Board of Regents is committed to building policy that effectively positions postsecondary education for the future. They justify consideration of the Board of Regents as the coordinating authority for all of postsecondary education in Kansas.

The Regents are concerned about funding issues related to higher education. If we are to continue our strong tradition of encouraging our young people to further their education after high school, then we must assure that higher education remains affordable.

In the absence of coordination, differences in financing structure can, and sometimes does, reduce the effective use of state tax dollars. It can create different incentives among institutions and has resulted in dramatic differences in tuition charges. Simply because it's cheaper for students to take community college courses, doesn't necessarily mean it is more cost effective to the tax payer.

The present structure also may be encouraging unnecessary duplication of courses, especially the replication of general education courses offered by the community colleges in the close proximity of Regents universities. In addition, differences in residency requirements, program review processes and faculty issues are also affected by the lack of coordination.

The Board of Regents believes that it is critical to the educational and economic well-being of Kansas for policy leaders to take this opportunity to position the postsecondary system for the needs of tomorrow's students. Coordination, the Board believes, is the key to an effective and efficient postsecondary system of education. Let me be clear on this point, regardless of who the coordinating organization is -- whether it is the Board of Regents, the Board of Education, or a separately established board, there is a need for greater state coordination of higher education and for the integration and coordination of community and technical colleges with the Regents universities and Washburn University.

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State Coordination of Community Colleges

In addition to the powers, duties and responsibilities otherwise established in statute, the Kansas Board of _____ shall be responsible for the following:

- (a) In cooperation with the Executive and Legislature, the Kansas Board of _____ represents the highest authority in the state in matters of the coordination of the Kansas Public Community Colleges and is charged with the responsibility of promoting access, quality, and cost-effectiveness of the public community colleges in all regions of the state. In fulfilling this responsibility, the Board of _____ shall develop and update a five-year master plan for the Kansas public community colleges taking into account the resources of the public community colleges. The Board of _____ shall periodically report to the Executive and Legislature on matters pertaining to the public community colleges in Kansas.
- (b) The Board of _____ shall develop and implement a process for reviewing statements of institutional mission, role and aspiration of the public community colleges. The institutions and their governing boards shall develop statements on the mission, role and aspirations for review and approval by the Board of _____. The Board shall make provision to consider changes in mission, role and aspirations from the institutions and make necessary changes.
- (c) The Board of _____ shall develop policies and procedures defining academic degree programs and approving institutional requests for new degree programs submitted by the public community colleges. Among other things, the Board shall take into account the need, resources, potential duplication and quality of new degree requests in its approval process. No new degree program may be added at any public community college without specific approval of the Board.
- (d) The Kansas Board of _____ shall not prevent nor inhibit the ability of the community colleges to respond to the local educational needs of their approved service areas, including certificate, workforce training, and noncredit courses and programs, except as these require approval of new academic degree programs.
- (e) The Board of _____ shall provide for a process for the periodic review of all degree programs offered by the public community colleges to assure, among other things, continued need and quality of the programs, within available resources. The Board of _____ shall initiate, consolidate, or discontinue and eliminate degree programs where that action is in the best interests of the State of Kansas, the counties in which they are offered, or when that action results in improving the access, quality and cost-effectiveness of the Kansas public community colleges. In those instances where degree programs are consolidated or discontinued and eliminated, the Board of _____ shall provide an opportunity for comment by the affected institutions. In its program review responsibilities, the Board of _____ shall encourage the institutions to develop program specializations and cooperative relationships.
- (f) As part of its planning responsibilities, the Kansas Board of _____ will explore opportunities for institutional affiliations, mergers and/or consolidations of community colleges, in consultation with the affected institutions and their governing boards, and submit any recommendations for consideration and action by the Legislature and Governor.
- (g) The Board of _____ shall develop policies and procedures for the coordination of off-campus courses and programs, including off-campus service areas, to eliminate unnecessary course and program duplication, and to promote institutional cooperation and specialization in off-campus programming. In its policies and procedures, the Board of _____ shall consider how resources for distance learning and telecommunications may be utilized to expand student access to educational services and improve instructional quality. The Board of _____ shall include policies and procedures to ensure that the community colleges do not offer courses and/or programs that duplicate courses and programs offered by the Regents universities and Washburn University within a twenty mile radius without written approval of the chief executive officer of the Regents university or Washburn University.
- (h) The Board of _____ shall establish and maintain a management information system including (i) a standard data base that includes uniform statistical information appropriate to planning, financing, and decision-making rather than regulation, and (ii) a process and format for common and institution-specific performance indicators for all public community colleges.

**ACCOMPLISHMENTS IN ACADEMIC AFFAIRS
SUMMER 1994 - FALL 1997**

PROJECTS PERTAINING TO THE ACADEMIC LIFE OF THE REGENTS UNIVERSITIES

1. Vision 2020

In December 1995, the Board and universities implemented VISION 2020, a strategic plan to prepare the Regents universities for the 21st century through focused change in five areas of institutional operations. The Board identified four challenges likely to confront higher education in the 21st century, including: (a) continuing resource constraints, (b) changes in the volume and mix of the pool of students, (c) expectations for change in the curriculum and instructional formats, and (d) increasing expectations for public accountability. The key areas identified for change include (a) curriculum and instruction, (b) faculty time and talent, (c) faculty support, development and rewards, and (d) operations and support processes. In May 1996 the Board approved initial campus plans for VISION 2020 and received progress reports in November 1996 and 1997.

2. Faculty Evaluation and Development

In October 1996, the Board approved campus plans to implement a series of policy decisions regarding faculty evaluation and development. The policies and plans provide for the annual evaluation of faculty, merit pay systems, the inclusion of student ratings of instruction in faculty evaluation, the dismissal of low performing faculty, and customized faculty development plans.

3. Performance Indicators

In September 1996, the Board approved the measurement and reporting format for common core and institution-specific performance indicators intended to provide institutional accountability and assess change prompted by VISION 2020.

4. Student Perceptions Survey

In April 1997, the Board approved a plan to measure and report the results of a systemwide survey of undergraduate students on various facets of their learning experiences. The student perceptions survey will be reported to the Board in November 1998.

5. Enrollment and Employment Survey

In April 1997, the Board approved a plan to measure and report the results of a systemwide survey of post-collegiate experiences of recent baccalaureate graduates. The enrollment and employment survey will be reported to the Board in November 1998.

6. **Implementing Qualified Admissions**
The Board achieved legislative approval of Qualified Admissions in Spring 1996. The Board adopted a precollege curriculum in October 1996 as required by the statute. After a review with the Board, the Council of Presidents adopted administrative protocols for the implementation of Qualified Admissions in September 1997.
7. **Qualifying Curriculum for State Scholarship Programs**
In October 1996, the Board adopted a revised precollege curriculum for the three state scholarship programs that use the high school curriculum as a qualifier. The qualifying curriculum for the three state scholarship programs has a higher set of standards than the curriculum for Qualified Admissions.
8. **New Degree Approvals**
In September 1997, the Board of Regents initiated a new program approval process. New program requests may be submitted by the universities at any time during the academic year.
9. **Academic Program Review**
In September 1997, the Board of Regents initiated a program review process. Every academic program in the Kansas Regents system will be reviewed at least once over an eight year period.
10. **Assessment of Undergraduate Education**
In November 1997, the Board approved the final plans from the Regents universities to assess student learning in undergraduate education. Each Regents university adopted and implemented plans to assess learning in basic skills, general education, and the major.
11. **Teacher Education Admission Standards**
In June 1995, the Board adopted admission standards to the teacher education programs offered at the Regents universities. The standards were implemented in September 1995.
12. **Policy on Student Academic Dishonesty**
In June 1994, the Board adopted a policy statement on student academic dishonesty that requires the Regents universities to develop and adopt plans to control academic dishonesty and promote academic integrity. The Board approved campus plans in this area in June 1995.

**PROJECTS PERTAINING TO RELATIONS AND RESPONSIBILITIES
WITH OTHER POSTSECONDARY INSTITUTIONS**

13. **Joint Advisory Committee on Governance**
The academic staff took the lead in drafting a charter, organizational structure and substantive agenda for the Joint Advisory Committee on Governance, which is comprised of members from the State Board of Education and the Kansas Board of Regents. Its purpose is to improve the coordination of postsecondary education.

3.3

- 14. Council on the Future of Postsecondary Education**
Academic affairs staff provided the workplan and organization for the Council on the Future of Postsecondary Education. With the staff work from the Board's academic staff, the Council produced a vision statement/blueprint for the future of Kansas postsecondary education, an environmental scan of Kansas postsecondary education, and a study of alternative governance and coordination models. The Council provided the Governor and Legislative leadership with three models deemed viable for Kansas.
- 15. Midwest Student Exchange Program**
In the Spring of 1997 the Board's staff worked with the Kansas Commissioners of the Midwest Higher Education Commission to redesign Kansas participation in the Midwest Student Exchange Program. The redesign imposed enrollment caps and increased admission requirements for MSEP students studying at Kansas Regents universities. The redesign improved the import/export balance of students.
- 16. Transfer and Articulation Agreement**
In cooperation with the Joint Advisory Committee on Governance and the public community colleges, the Board of Regents developed a revised Transfer and Articulation Agreement which assures students who earn an associate of arts or science at a Kansas public community college that they have completed the general education requirements for baccalaureate programs at the Regents universities. The Agreement extends from 1997 to 2003.
- 17. Transfer Student Information System**
In cooperation with the Joint Advisory Committee on Governance, the Board of Regents developed a transfer student information system which will enable higher education policy makers to assess the educational progress of students who transfer from the Kansas public community colleges to the Regents universities. Following the lead of three Regents universities, three consortia will provide the Joint Advisory Committee with an initial report in September 1998.
- 18. Reciprocal Agreement with Missouri**
In the Spring of 1997 the Board's staff renegotiated the Kansas - Missouri Reciprocal Agreement, which allows Missouri residents to study Architecture in Kansas and allows Kansas residents to study Optometry and Dentistry in Missouri at resident tuition rates. The Agreement extends from 1996 to 2001.

PROJECTS PERTAINING TO DISTANCE EDUCATION AND INFORMATION TECHNOLOGY

- 19. Academic Extension Policies**
After twelve months of systemwide discussion, the Board revised its policies on academic extension and distance education in September 1997. The revision of policies is intended to increase the access of students to distance learning opportunities.

PROJECTS PERTAINING TO THE ECONOMIC AND INTELLECTUAL DEVELOPMENT OF THE STATE

20. Eisenhower Professional Development Program

In August 1995, the Eisenhower grant proposal review process was revised to align criteria for grant awards with the educational reform plan of the State Board of Education. The program was also restructured to conform with the Kansas State Professional Development Plan. Eighteen proposals requesting \$1,061,029 were submitted in 1997. Nine proposals totaling \$407,103 were approved for funding. A total of 487 teachers in 215 schools are expected to participate in projects for 1997.

21. Economic Impact Statement

In 1995 staff coordinated a systemwide task force to collect and report data on the economic impact of the Regents Universities. The report documented the following expenditures for FY 1994:

\$ 500,000,000	Estimated local spending by students.
685,817,179	Total Regents system payroll.
366,592,264	Total Regents system purchases.
60,833,612	Total Regents capital expenditures.
153,621,959	Total sponsored projects funding.
<u>411,501</u>	Total license fees and royalties received.
\$1,767,276,515	Total economic impact of the Regents Universities for FY 1994.

PROJECTS PERTAINING TO THE ADMINISTRATION OF THE ACADEMIC AFFAIRS UNIT

22. Academic Planning

The academic staff developed system planning documents including use of Primavera Sure Track project planning software.

23. Unit Restructuring

The academic affairs staff was downsized and the positions were restructured in March 1995.

24. Policy Discussion Papers, June 1994 - August 1997

The academic affairs staff developed and presented six policy discussion papers for Board meetings and retreats including:

- a. "VISION * FOCUS * ACTION: VISION 2020 and Academic Programs in the Kansas Regents System." June 1997.
- b. "Beyond Geographic Jurisdiction: A New Vision for Distance Education." August 1996.
- c. "Toward Reinvention: Transforming the Kansas Regents Universities for the 21st Century." August 1995.

- d. "Student Academic Dishonesty in Higher Education: Social Context and Institutional Response." June 1994.
- e. "Improving the Learning Environment: Faculty Workload and Undergraduate Education." March 1995.
- f. "Higher Education and Economic Development: Demonstrating Impacts and Expanding Opportunities." February 1995.

Each paper contributed to major initiatives or significant policy changes by the Board.

**ACCOMPLISHMENTS IN FISCAL AFFAIRS
SUMMER 1994 - FALL 1997**

Projects Pertaining To The Fiscal Life Of The Regents Universities

1. Tuition Accountability

The Board proposed an update to tuition handling procedures at KU, KSU, and WSU, allowing those institutions immediate use of additional tuition revenues resulting from enrollment increase, change to student waiver policies, or changes in the student mix. It also ends enrollment adjustment funding and supplemental appropriations for tuition shortfalls, requiring the institutions to finance the costs of enrollment growth within tuition revenues and to absorb tuition shortfalls during periods of enrollment decline. This policy change causes tuition handling at those institutions to more closely resemble the process at comparable research institutions throughout the U.S. The revision to tuition handling procedures was recommended by the Governor and adopted by the Legislature during FY 1997.

- a. **Applicability to Regional Universities.** The Board also appointed a Subcommittee for an intensive review of this program's applicability to the regional universities. The Subcommittee is recommending that tuition accountability plans are not in the best interests of ESU, PSU, and FHSU.

2. Linear Tuition.

The Board also proposed a significant change in the tuition structure at KU and KSU, in which all tuition would be collected on a per credit hour basis. For many years tuition had been collected on a per credit hour basis for the first six credit hours and on a full time basis for each credit hour thereafter. This linear tuition structure was deemed to be more relevant to the enrollment patterns of current students. It also promotes a clearer relationship between payments and credits enrolled. Initially requested in FY 1995, a full linear tuition structure was implemented at KU, KSU, and WSU in FY 1997.

3. Increase Visibility of Equipment Needs at Regents Universities .

The Board proposed a major equipment initiative in its FY 1998 budget, involving request of \$12 million in state funding and a one percent equipment dedicated tuition increase. The Governor recommended \$7.5 million for equipment and a one-half percent equipment dedicated tuition increase. While, only \$450,000 of the state funding was recommended by the Legislature, the request allowed multiple hearings on the subject of equipment needs at the institutions. A significant portion of the Regents FY 1999 request involves further documentation of equipment needs and reaffirmation of this priority before the Governor and Legislature.

4. **Implement Committee Approach to Budget Development.**
A 1992 Regents Task Force recommended that budgeting begin earlier in the fiscal cycle and that budget issues be considered by a Committee, consisting of Regents and representatives from the Universities. A comparable approach had been utilized for many years to set tuition rates. A combined budget and tuition committee process has been utilized during the past three years and has: integrated tuition and budgeting issues; broadened the scope of input to budgets; and significantly reduced the time required for budget consideration by the full Board of Regents. A significant side benefit of this approach has been that budgeting has become less contentious, since more people have been involved in budget development.
5. **Study of Faculty Salary Issues.**
The Regents have reviewed faculty salaries in their annual retreats during 1996 and 1997. Both reviews resulted in increase of original budget requests. During FY 1998 the budget was modified to include request of an additional 1 percent employer retirement contribution. During FY 1999 the budget has been modified to include an additional 1 percent salary increase. The FY 1998 request was not included in Legislative appropriations. The FY 1999 request is presently under review.
6. **Preferred Business Systems Approach.**
To promote efficiency and commonality in administrative systems, the Regents have adopted a policy directing the Council of Business Officers to coordinate selected administrative systems and designate preferred systems for use by other institutions. This policy has promoted institutional awareness of the administrative initiatives being undertaken in the other institutions and several system acquisitions have been shared as a result of the effort.

Projects Pertaining To the Administration Of the Fiscal Affairs Unit

1. **Unit Restructuring**
The Fiscal Affairs Unit has retained its existing complement of staff. However, it has absorbed coordination of the Board's governmental affairs activities and expanded committees to which the unit provides staff support.
2. **Integrating Technology Into Office Environment**
Maintaining network computing power for all staff and establishing an Internet presence have been priorities for the office. The workload for these activities has largely become the responsibility of the Research Associate position in the Fiscal Affairs Unit.
3. **Administrative Support for Systemwide Initiatives**
A very large number of systemwide initiatives have been in progress during the past several years, many of which have involved several staff units. In addition to its other responsibilities, the Fiscal Affairs Unit has been honored to be involved with provision of support for several of these including Crumbling Classrooms, Program Review, and Performance Measures.

THE FUTURE OF HIGHER EDUCATION IN KANSAS

A discussion of the issues facing postsecondary education in Kansas.
Prepared for the Kansas Board of Regents

INTRODUCTION

A recent provocative report by the Council for Aid to Education warns of a ticking time bomb that threatens to undermine the American higher education system. Entitled *Breaking the Social Contract: The Fiscal Crisis in Higher Education*, the report suggests that:

"At a time when the level of education needed for productive employment is increasing, the opportunity to go to college will be denied to millions of Americans unless sweeping changes are made to control costs, halt sharp increases in tuition, and increase other sources of revenue."

The report goes on to claim that unless costs are brought under control, and assuming tuition increases no faster than inflation, there will be a \$38 billion shortfall in the annual budgets of U.S. colleges and universities needed to educate the expected student enrollments in 2015. Conversely, if tuition increases continue at their current pace, one-half of the students anticipated to enroll in U.S. colleges and universities may be denied access.

The report offers five recommendations:

- (1) America's political leaders -- the President, Congress, governors, mayors, and other state and local officials -- should reallocate public resources to reflect the growing importance of education to the economic prosperity and social stability of the United States.
- (2) Institutions of higher education should make major structural changes in their governance system so that decision makers can assess the relative value of departments, programs and systems in order to reallocate scarce resources.
- (3) As part of their overall restructuring, colleges and universities should pursue greater mission differentiation to streamline their services and better respond to the changing needs of their constituencies.
- (4) Colleges and universities should develop sharing arrangements to improve productivity.
- (5) It is time to redefine the appropriate level of education for all American workers in the 21st century. All citizens planning to enter the workforce should be encouraged to pursue - as a minimum - some form of postsecondary education or training.

The report has important implications for Kansas as the Board of Regents and the Council of Presidents begin their discussions on the topic **The Future of Higher Education in Kansas**. Members of the Board and the Council of Presidents are encouraged to read the entire report as a primer for the upcoming retreat discussion. Much of what is included in the report coincides with the *Context and Vision for Change* included in the Board of Regents' *Vision 2020*. (Appendix A) Examples include:

- (1) *Vision 2020* assumes that Regents universities face significant resource constraints, coupled with increased competition for public funds, noting that since FY 85 the percentage share of State General fund to the Regents universities declined from 18.4% to 13.2% in FY 95. *Breaking the Social Contract* found that real cost per student - costs adjusted for inflation - had fallen behind real government support for students since 1976. Government spending priorities for entitlements -- Social Security, Medicare, and Medicaid -- has grown from 38% of the federal budget in 1965 to 67% in 1995 and is anticipated to increase to 75% by 2005.
- (2) *Vision 2020* assumes the Regents universities face an increasing demand for their services. *Breaking the Social Contract* estimates that demand for enrollment in America's colleges and universities will grow from 10.3 million students in 1995 to 13.2 million FTE in 2015.
- (3) *Vision 2020* assumes higher education is increasingly expected to anticipate educational and employment trends and to develop appropriate responses in what is taught and how it is taught. *Breaking the Social Contract* recommends that higher education place greater emphasis on mission differentiation and focus on comparative advantages to improve productivity and quality.
- (4) *Vision 2020* assumes the Regents universities face a continuing and intensifying public demand for accountability in the use of resources and responsiveness to public expectations. *Breaking the Social Contract* suggests that it will be difficult to increase public support in federal, state, and local budgets until higher education can provide good answers to questions about cost, productivity, efficiency and effectiveness.

The policy discussion on **The Future of Higher Education in Kansas** is meant to provide the Board and the Council of Presidents with the opportunity to crystallize their common vision for postsecondary education in Kansas which was initiated with *Vision 2020*. The following discussion considers three ways to assess the future of higher education in Kansas. The first sets the stage by considering the demographics and anticipated trends in the areas of **ACCESS, COST AND QUALITY**. The implications of these trends on **CURRICULUM AND TECHNOLOGY** will then be discussed. And, the third consideration looks at the impact of these issues on the structure of postsecondary **COORDINATION AND GOVERNANCE**.

ACCESS, COST AND QUALITY

National Perspective

Breaking the Social Contract estimates that by 2015 the nation must be prepared to educate more than 4 million more students than it educated in 1995 to accommodate population growth. Predicted changes in the workforce are also expected to increase college attendance. By the year 2000, only 10% of the workforce will be employed in industrial jobs. Service related jobs requiring a level of knowledge and skill that, for the most part, can be acquired only through programs offered at colleges and universities will replace the industrial jobs as the backbone of the economy.

However, *Breaking the Social Contract* predicts that access to higher education will be denied to millions of Americans unless sweeping changes are made to control costs, halt sharp increases in tuition and increase other sources of revenue. The Higher Education Prices Index (HEPI), the real increases in the prices paid by higher education institutions for goods and services, rose more than sixfold between 1961 and 1995. Between 1980 and 1995, the annual average rate of growth in higher education exceeded inflation as measured by the CPI by a full percentage point. Average real tuition per student, adjusted for inflation, doubled in the 20 years between 1976 and 1995. It is estimated that if tuition doubled again in the next 20 years, 6.7 million students would be priced out of higher education.

The challenge of balancing access and rising costs takes on a new and more complex dimension when the factor of quality is added to the mix. Can higher education maintain wide access, especially to low-income and educationally disadvantaged students, and at the same time maintain and even increase quality of its educational programs? And how can this be done within the constraints of rising costs and shrinking resources?

Accrediting bodies have moved steadily toward implementing institution-centered approaches to accreditation. As the reauthorization process for the Higher Education Act unfolds this year, accreditors realize that they are under the gun to demonstrate their ability to play a credible quality assurance role, lest they be shut out of the process as almost happened in 1992. One probable outcome is the increasing emphasis on institutional performance statistics. This would echo many states' response to similar conditions five or six years ago, when the first "report cards" on public colleges and universities appeared. It is speculated that as such data become more popular as the currency of accountability, a longer range implication will be the need to "certify" institution-generated performance statistics in much the same fashion as independent financial audits now provide public credibility for fiscal bottom lines.

In response to concerns about the escalating costs of higher education, Congress passed legislation creating a National Commission on the Cost of Higher Education. The charge to the Commission is far reaching and comprehensive, including innovative ways of reducing or

stabilizing tuition, trends in college and university administrative costs, trends in faculty workload and remuneration, trends in state fiscal policies that have affected college costs, extent to which federal, state and local laws and regulations or mandates contribute to increasing tuition, extent to which student financial aid programs have contributed to changes in tuition, and the adequacy of existing federal and state financial aid programs. **(Appendix B)** The Commission is expected to submit to the President and Congress, not later than 120 days after the date of the first meeting, their findings and conclusions along with recommendations for administrative and legislative action.

At the same time, Congress enacted as a component of the balanced budget agreement significant proposals to assist students in financing their postsecondary education. Hope Scholarship tax credits were adopted which will provide \$1,500 tax credits for the first two years of college (100% of the first \$1,000 in required tuition and fee expenses and 50% of the next \$1,000). After the first two years, there would be a "Lifetime Learning" tax credit that would start at 20% of \$5,000 in expenses and increase over time to 20% of \$10,000. This credit would also be for just tuition and fees, with the annual maximum a per-family limit (although taxpayers could get both a Hope Scholarship and Lifetime Learning tax credit).

Section 127 tax-exemption for up to \$5,250 in employer-paid tuition, would be extended 3 years but only for undergraduates. In addition, up to \$2,500 in student loan interest would become an above-the-line deduction., a proposal aimed at making the first two years of college universal and clearly focused by the President toward community and technical colleges. Congress also approved the establishment of a new "American Dream IRA" where contributions are taxed but accumulations of interest are not taxed when withdrawals are made for retirement, first-time home purchases, or any educational expenses, not just tuition and fees.

Kansas

The high school graduate placement trend lines in Kansas have been very consistent since 1986. Kansas high school graduates choosing to continue their education in either a two-year or four-year institution, or some other form of postsecondary education, have increased during the 10-year period from 66% of the high school graduates in 1986 to 77% in 1995. Those choosing to move directly to employment have declined from 19% in 1986 to only 12% in 1995.

(Appendix C) Of those choosing to attend postsecondary education within Kansas, the trend lines also appear to be consistent. There is a growing and widening gap between those choosing to attend a community college as their first postsecondary experience and those choosing to attend a Regents institution as their first postsecondary experience. Beginning in 1991 more students chose to attend community colleges as their first postsecondary experience than chose to attend a Regents university. That gap has widened each year since. The trend lines for private institutions and Washburn University are for very marginal increases and decreases respectively. **(Appendix D)**

Kansas public high school graduates are projected to increase until 2001 and to then hold relatively stable until 2009 when they begin to decline. (Appendix E) Given the high participation rates of Kansas high school graduates in postsecondary education, the increasing graduation rates should translate to higher postsecondary enrollments, particularly when you compound each graduating class into the two to five years it would take before graduating from a postsecondary community college or baccalaureate institution. Similar to cost increases nationally, the average annual rate of growth in Regents system educational expenditures per student credit hour exceeded inflation by just under one percent per year in the eight-year period between 1989 and 1996. Resident undergraduate tuition in Kansas increased 302% between 1976 and 1995. Like the national figures, average real tuition, adjusted for inflation, more than doubled in the 20-year period.

Kansas is a net importer of students. That is, more nonresident students choose to come to Kansas for postsecondary education than Kansans choosing to leave the state for postsecondary education. In the Regents system, approximately 20% of the student headcount are nonresidents. During the period between 1986 and 1996 total headcount enrollments grew until 1990 and have since declined. Resident enrollments mirrored the overall enrollment pattern, growing until 1990 and then declining. Nonresident enrollments continued to grow until 1993 and have since declined. Interestingly, the decline in resident enrollments began to occur in the same year that the community colleges began taking a larger percentage of the Kansas first-time freshmen than the Regents system.

In the general area of quality, the Regents initiated a set of performance indicators last fall. The performance indicators accompany the annual budget request to the Governor and the Legislature. To date, there has been no formal link between the performance indicators and budget allocations. The Regents also initiated *Vision 2020* as a umbrella approach to assuring the universities provide high quality, accessible programs at a reasonable cost to students and the state. It is a strategy to improve the alignment of institutional priorities, resources and activities with the new realities and expectations facing the Regents universities, within their approved missions.

Kansas has a very modest need-based financial aid program totaling \$12.5 million, of which \$5.5 million is dedicated to the independent institutions through the Tuition Grant Program. Only \$3.0 million is general need-based aid for any qualified student attending a Regents university. There were 15,872 dependent students attending Regents universities who made application for federal student financial aid in 1995-96. Their average financial aid eligibility, after considering "Expected Family Contribution" to college costs, was \$3,871.

Kansas does not have a state college savings or guaranteed tuition program, although a proposal for a state college IRA program has been developed and will be introduced next legislative session. In addition, Representative Tom Sawyer is sponsoring a proposal called the STARS (Student Tuition Assistance Recognition Scholarships) program modeled after the Georgia

HOPE Scholarships. It would provide maximum \$1,200 per semester awards to Kansas high school graduates who had at least a 2.75 GPA when they graduated and who maintain a 2.75 GPA while attending a Kansas accredited postsecondary institution (public or private). The program would be limited to baccalaureate degrees and below. It would be funded from proceeds of the Kansas lottery.

Questions for Discussion

- (1) What will be the expected distribution of students between the two-year and four-year postsecondary educational sector in Kansas?
- (2) What implications are there for the Regents universities in terms of faculty time and talent?
- (3) How does this impact the funding of upper division and graduate programs?
- (4) Do we anticipate enrollment growth in the Regents universities and what physical capacity does the system have to absorb growth? What financial capacity does the system and the state have to absorb growth? Should growth be directed toward specific institutions?
- (5) Will tuition increases jeopardize short- or long-term access to the Regents universities?
- (6) Should the Regents consider a policy or policies to stabilize tuition increases?
- (7) Are current budget processes and program initiatives through *Vision 2020* sufficient to control costs in the Regents system?
- (8) What efforts should be made to provide for access through financial aid? Should financial aid be primarily need-based? Merit-based? A balance of both?
- (9) What is the Board's overall philosophy on balancing access, cost and quality?

IMPLICATIONS FOR CURRICULUM AND INSTRUCTION

The fundamental conclusion of *Breaking the Social Contract* is that a profound fiscal crisis in higher education foreshadows major institutional reform in many operations of colleges and universities, including what is taught, how it is taught, and how faculty allocate their time and talent. The conclusion of the report is certainly not unique among national reports on the state of higher education financing, but it does break some fresh new ground in its observations that meaningful, fundamental reform in curriculum and instruction are essential components of responses by higher education to the fiscal crisis.

This section discusses the implications of *Breaking the Social Contract* for change in curriculum and instruction by identifying:

- (1) some of the recurring themes on change in curriculum and instruction;
- (2) how recent efforts by the Board and the Regents universities parallel the recommendations included in *Breaking the Social Contract*; and,
- (3) questions for the Board and Council of Presidents to discuss.

Recurring Themes in Reform in Curriculum and Instruction

The Kansas Regents universities are not immune to the tensions and crises described in *Breaking the Social Contract*, but will be directly impacted by the dynamics occurring at the state, regional, and national levels. Just as broader social, demographic and economic dynamics affect curriculum and instruction at the national level, the Regents universities will also have to anticipate and pursue change in their core responsibilities in curriculum and instruction.

However, a fiscal crisis is not the only source of change and renewal in curriculum and instruction. *Breaking the Social Contract* primarily focuses on the fiscal crisis of higher education and envisions reform in curriculum and instruction as one source and consequence of change in curriculum and instruction. The report is eloquent on the points that curriculum and instruction will be changed not only by fiscal constraints, but also by shifts in the volume and mix of students and increased demands for accountability as well.

As the Board and Council of Presidents consider the future of change in curriculum and instruction at the Regents universities, it is helpful to consider very broadly the pressures and challenges propelling change in curriculum and instruction. In addition to the sources of change identified in *Breaking the Social Contract*, several themes recur in the literature on restructuring in higher education:

- “Hyperlearning” is transforming curriculum and instructional strategies through the proliferation of advanced communications technologies such as interactive television, computer assisted instruction, videotaped lectures, the Internet, and CD-ROM. Many educational leaders and policy makers believe that information technology will become the principal vehicle for improvements in the quality of instruction, cost containment, and increasing access in higher education.
- Although “competency-based education” was originally a component of the recent reform movement in K - 12 education, it impacts higher education as well. This movement places a focus on results and outcomes, and defines quality in terms of performance measured against objective criteria and standards. Increasingly, licensure boards, professional associations, and accreditation agencies are interested in aligning degree programs with articulated expectations for graduates. Innovative degree programs are increasingly structured on the basis of outcomes. For example, accredited institutions are offering blocks of college credit for life experiences thought to articulate with certain degree programs.
- Higher education is also challenged by a continuous quality improvement trend in business, industry, K-12 education, health care, and government that places customers, clients, children, patients, citizens -- and now students -- first. Interpreted from the standpoint of higher education curricula, total quality management and continuous quality improvement processes contribute to a culture that places the needs, expectations and problems of students above the preferences of faculty.
- Although the relationship between higher education curricula and post-collegiate experiences is always contentious, there is a resurgence of interest among policy makers in reshaping postsecondary curricula to more closely conform with workforce preparation. For many legislators, students and parents, the goal of higher education is to help students get a job as soon as possible. While this vocationalism is resisted by faculty and higher education leaders, there is considerable concern that undergraduate curricula, in particular, have expanded beyond justification. Several higher education boards, such as Arizona, Montana and Virginia, have imposed caps on the number of credit hours required for baccalaureate degrees as a means of streamlining curricula and moving students through institutions more quickly.

These challenges have generated debate and change at many institutions across the country. They have also stimulated higher education boards to assume a more vigorous role in curricular and instructional issues. Increasingly, boards are seen as important agents for curricular change, in partnership with faculty and institutional leaders. This suggests two questions the Kansas Board of Regents and the Council of Presidents might want to address:

- (1) How does the menu of initiatives and activities of the Board and Regents universities compare with the curricular and instructional recommendations offered by *Breaking the Social Contract*?
- (2) What leadership role can the Board play in any future attempts at curricular change?

Responses to the Recommendations in *Breaking the Social Contract*

Breaking the Social Contract offers four recommendations that have implications for curriculum and instruction. In response, the Board and Regents universities have pursued a number of initiatives and activities that address these recommendations, either directly or indirectly. Further, the efforts at change in curriculum and instruction undertaken by the Board and the universities address challenges not identified in *Breaking the Social Contract*. Table One aligns the initiatives and activities of the Board and Regents universities with the recommendations included in *Breaking the Social Contract*.

The second recommendation offered in *Breaking the Social Contract* urges the higher education community to pursue structural changes in the internal university governance apparatus so that the effectiveness and productivity of programs and units can be assessed as a basis for reallocating resources. In part, this recommendation suggests the development or transformation of information systems to optimize the allocation of institutional resources. The specific suggestions supporting this recommendation include improving performance-based assessment, the measurement of faculty productivity, and internal financial accountability.

In addition to the institutional planning and management processes, the Board and universities have implemented several initiatives to respond to the need imbedded in this recommendation. First, the various initiatives surrounding *VISION 2020*, particularly the performance indicators, are designed to provide information supporting change in curriculum and instruction. Second, the policies and initiatives pertaining to faculty evaluation and development include the definition of expectations for utilizing, assessing and rewarding the allocation of faculty time and talent. Third, each university, following the Board's leadership, assesses student learning as a means of stimulating change in undergraduate education. Fourth, three of the Regents universities have initiated major projects to develop management information systems designed to benchmark progress toward institutional goals. Wichita State University is participating in the benchmarking project lead by the National Association of College and University Business Officers. Both Kansas State and Pittsburg State are developing activity-based costing systems.

The third recommendation offered in *Breaking the Social Contract* suggests that higher education institutions should pursue greater mission differentiation to streamline their services and respond to changing needs. The report specifically states that community colleges should

focus on workforce preparation, regional institutions should focus on teacher education and regional economic development, and that doctoral institutions should focus on research and graduate education.

In academics, the fundamental purpose of mission differentiation is to ensure the scope of degree programs offered by institutions are consistent with their assigned mission. The basic premise is that educational needs in a state can be addressed most effectively and efficiently if institutions develop specializations and avoid stumbling over each other by minimizing unjustified program duplication. The principal vehicles for differentiating institutional missions in the Kansas Regents system are the mission statements assigned each institution as an outcome of the 1991-1993 Mission Study. Institutional missions are also refined through decisions the Board and universities make in new program approvals, program review, and academic extension.

The fourth recommendation offered in *Breaking the Social Contract* suggests that institutions develop cooperative or sharing arrangements to improve productivity. Examples illustrating this recommendation include aligning curricula among institutions, sharing faculty and classes through distance learning, eliminating duplicative courses within institutions, jointly contracting for outsourcing services, sharing facilities, and sharing or aligning library resources.

Under *VISION 2020*, the curricular review initiatives at Pittsburg State and Kansas State are aimed at realigning curricula. The Transfer and Articulation Agreement between the Regents universities and community colleges is aimed at aligning curricula across two postsecondary sectors. The transfer student information system is designed to assess this alignment. Also, there are several cooperative arrangements in the delivery of academic programs. On the downside, cooperative programs in criminal justice and physical therapy dissolved last Spring and the system has yet to produce a single common business system. The Board adopted a policy statement on common business systems in May 1995.

The final recommendation included in *Breaking the Social Contract* is not specifically directed at four-year institutions, but urges that postsecondary education be designated as the minimal level of educational attainment for all members of our society. The Council for Aid to Education particularly encourages the expansion of subbaccalaureate educational opportunities. This recommendation has relevance for the Regents universities because of its overlap with the fourth recommendation urging the alignment of curricula of different institutions.

Again, following the Board's leadership, the Regents universities identified expectations and assessments for student learning in basic skills, general education, and learning in the major. In addition to setting minimal academic standards, the assessment programs of the Regents universities help ensure that there is continuity in learning experiences as students enter and progress through the Regents universities. Standards included in Qualified Admissions and the precollege curriculum also set minimal expectations for student preparation for university study.

Questions for Discussion

- (1) Are the missions of the Regents universities sufficiently distinct? How helpful are the mission statements in guiding the development of the Regents universities?
- (2) Are the initiatives and activities associated with *VISION 2020* sufficient to prepare the universities for the curricular challenges expected in the 21st century? The *VISION 2020* statement indicates change in curriculum and instruction will be preceded by three initiatives that will lead to comprehensive curricular reform. At what point does the Board and the Council of Presidents want to initiate other curricular changes?
- (3) What are the benefits and drawbacks of institutional cooperation? In what areas would institutional cooperation benefit the universities? Should the Board and Regents universities promulgate more institutional cooperation?
- (4) Valid, reliable and comparable data is generally helpful in decision making. Is the current array of information provided to the Board sufficient for leading the universities through the challenges depicted in *Breaking the Social Contract*?
- (5) What is the Board's overall philosophy on curricular reform? What are the Board's expectations for curricular reform as the universities initiate a new cycle of program review?
- (6) The Board relies on the councils for advice as the Regents system confronts challenges posed by the future. What are the strengths and weaknesses of the council system? How can the council system improve its ability to advise the Board on change initiatives?
- (7) Do the internal governance structures of the Regents universities facilitate or inhibit the need to reallocate resources identified in *Breaking the Social Contract*? Are the internal governance structures adaptable to the changes and challenges identified in *Breaking the Social Contract*? What changes should be made in the internal governance structures of the Regents universities? What role can the Board play in this restructuring?

Table One: Recommendations from *Breaking the Social Contract* and Activities of the Board and Regents Universities: Curriculum and Instruction

Recommendations from <u>Breaking the Social Contract</u>	Activities of the Board of Regents and Regents Universities
<p>Recommendation 2 Institutions are urged to pursue structural changes in governance to assess units/programs and reallocate resources. Examples include:</p> <ul style="list-style-type: none"> * Improve Performance-Based Assessment * Define and Measure Faculty Productivity * Improve Internal Accountability in Financial Management 	<p>The Board and universities have worked to improve the availability of information regarding curriculum and instruction at the Regents universities. Examples where information is oriented toward informing change include:</p> <ul style="list-style-type: none"> * Assessment of undergraduate education * VISION 2020 and Performance Indicators * Faculty evaluation and development * WSU participation in NACUBO Benchmarking Project * KSU and PSU projects in activity-based costing
<p>Recommendation 3 Boards and Institutions are urged to pursue greater mission differentiation to streamline services and respond to changing needs. Examples include:</p> <ul style="list-style-type: none"> * Workforce Preparation * Teacher Education and Regional Economic Development * Research and Graduate Education 	<p>The Board and universities have worked to refine institutional mission through a variety of strategies, including institutional statements of mission, role and aspiration. Specific examples of mission refinement include:</p> <ul style="list-style-type: none"> * Mission, Role and Aspiration Study, 1991 - 1993 * Program Review, 1982 - 1991, 1991 - 1993 * Program Approval Policies and Procedures * Academic Extension and Distance Learning
<p>Recommendation 4 Institutions are urged to develop cooperative or sharing arrangements to improve productivity. Examples include:</p> <ul style="list-style-type: none"> * Curricular alignment * Sharing classes * Joint outsourcing services * Merging, combining, sharing facilities * Sharing, aligning library resources 	<p>Internal and external cooperation to improve productivity has been a theme in a variety of system discussions on change. Examples of efforts to improve productivity and efficiency through cooperation include:</p> <ul style="list-style-type: none"> * VISION 2020 Curricular review at KSU, PSU * Transfer and Articulation Agreement * Transfer Student Information System * Cooperative Ed.D. in Educational Administration
<p>Recommendation 5 The higher education community is urged to define minimal levels of education and workforce preparation.</p>	<p>Examples of efforts by the Board and universities to set minimal performance standards include:</p> <ul style="list-style-type: none"> * Assessment of Basic Skills, General Education and Learning in the Major * Qualified Admission, the Precollege Curriculum

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COORDINATION AND GOVERNANCE

(The following summary was extracted from materials developed by the Kansas Legislative Research Department for the Special Committee on Education.)

NATIONAL PERSPECTIVE

Postsecondary Educational Governance Structures

Numerous ways of categorizing higher educational governance systems have been developed over the years, but most distinguish three primary kinds of state structures:

- **consolidated governing board states** in which most or all of the state's public higher education institutions are under the jurisdiction of one board or, in some cases, split between two boards, one for public four-year institutions and another for community colleges and technical institutions;
- **coordinating board states** in which some board *other than* a governing board is assigned responsibility for coordination between or among single-institution boards or consolidated governing boards; and,
- **planning agency states** in which a coordinating agency has planning responsibilities but no other authority.

Using this classification scheme and further subdividing it to reflect greater variations among the states, Aims McGuinness, with the National Center for Higher Education Management Systems, in a 1994 study, arrayed the states (and Washington D.C. and Puerto Rico) as shown in the Table that follows. It should be noted that some states, such as Alaska, which has both a statewide governing board and a coordinating body, fall into more than one category.

From looking at the table, it can be observed that the authority of the boards generally diminishes as one moves from the left to the right. Governing boards have more authority than coordinating boards and usually are empowered to develop and implement policy for their institutions, hire and set the salaries of institutional heads, establish faculty personnel policies, allocate resources among institutions under their jurisdiction, and in some cases set student tuition and fees. Coordinating boards do not govern, *i.e.*, hire institutional heads or set faculty personnel policies, but they may have regulatory authority, such as approval of academic programs, or they may only be advisory.

To complicate matters, a governing board may also perform coordinating functions, either officially or informally, or coordination functions may be performed informally by some other entity, such as the legislature or the governor. The states at the far right of the table are those with the weakest coordinating entity, whose authority does not go beyond voluntary planning.

Using McGuinness' classification, 23 states (and Washington D.C. and Puerto Rico) have higher education institutions under one or two governing boards: in 10 states all higher education institutions are under one board and in 13 states, including Kansas, the public four-year institutions are under one board and the community colleges and technical institutions are under another. Of these states, five also have coordinating boards (Alaska and Florida) or planning agencies (New Hampshire, Oregon, and Vermont). In 27 states and Puerto Rico, there is a coordinating board with either regulatory authority (21 states) or advisory authority (six states). Six states and Washington, D.C. have planning agencies. Those states that do not have consolidated governing boards generally have segmental systems whereby several governing boards have jurisdiction over parts of the higher education system, such as a state with a university system and a college system, or have separate governing boards for each institution, or have a combination of both.

A recent study of the higher education systems in seven states (California, Florida, Georgia, Illinois, Michigan, New York, and Texas) sought to establish a link between state policy objectives and state higher education systems. The authors found that, for the states they studied, "federal" and "unified" systems were more responsive to state needs and priorities. The federal systems in their study were those in Illinois and Texas that have multicampus and individual institutional governing boards and a strong coordinating board. The unified system was in Georgia, where a single governing board is responsible for all degree-granting, public institutions.

According to the authors, federal and unified systems have the capacity to identify priorities, to shape institutional responses, and to use information to communicate progress. "Confederated systems" that have coordinating agencies with limited authority, such as in California, Florida, and New York, and "confederated institutions" (systems with institutional or multicampus governing boards but no strong coordinating agency) are found to be less responsive to state policy objectives, probably because the subsystem or institutional governing boards place more emphasis on institutional needs rather than state priorities as a whole. The authors conclude: "State boards that are both *part of higher education and part of state government* do a better job of balancing the public interest against professional values and institutional concerns than do subsystem or institutional governing boards." [Emphasis added.]

This conclusion may explain a trend in higher education over the past several decades for state government policy makers to try to consolidate institutions and boards, in part to exercise more control over scarce state resources and to make it possible to hold one board, agency, or chief executive officer accountable. The evidence, however, makes it difficult to generalize about trends because examples of both centralization and decentralization can be found. McGuinness notes the appeal of proposals to consolidate all public institutions under a single, consolidated governing board and identifies them as a recurring feature in the ongoing debate about higher education, though few of the "super board" proposals actually have been implemented in the past 20 years.

State Proposals to Change Higher Educational Governance

Between 1989 and 1994, 49 proposals to restructure higher educational governance were considered in 29 states. Proposals initiated by legislators were the most frequent, but those instigated by state boards were most likely to be enacted. (Of the 49 proposals, 27 (55%) in 20 states were adopted.) An analysis of the proposals revealed a regional influence on restructuring efforts: in the northeast, proposals leaned toward institutional autonomy and decentralization, but in mid-America, more proposals focused on increased centralization.

Speculating that budget cuts in higher education, increased demands for accountability, attempts to measure institutional outcomes, and complaints from institutions about increased state regulatory and reporting requirements contributed to a "convergence of tensions" that brought the structure of state-level higher educational governance under reformist scrutiny, the author of the study identified rationales for restructuring proposals that include: to reduce or contain costs, to improve accountability, to improve coordination, to enhance autonomy, and to increase the governor's or legislature's authority. The most common reasons for the proposals were to reduce costs and to improve accountability. For those proposals that concerned the centralization issue - whether to enhance the power of a governing or coordinating entity or to enhance institutional autonomy -- the results were split: half of the proposals would have improved coordination and the other half would have enhanced institutional autonomy.

McGuinness offers other reasons why reorganization proposals have become a fixture in state government and higher education for the last several decades. Described as "long-standing irritants," the reasons are:

- (1) **Actual or potential duplication of high-cost graduate and professional programs.** Duplication can involve each institution wanting to offer a complete array of programs for its clientele, resulting in, for example, several schools of engineering or can be reflected in an urban-rural tension whereby schools in isolated areas duplicate other institutions' offerings in order to serve their place-bound student populations.
- (2) **Conflict between the aspirations of two institutions (often under separate governing boards) located in the same geographic area.** The author notes that, when this sort of conflict occurs, efforts usually are made to improve cooperation and coordination, but often the institutions finally are merged or consolidated.
- (3) **Legislative reaction to institutional lobbying.** Policy makers may tire of being caught in the middle of institutional conflicts and may try to shift the battle to another area or to make some other entity responsible for resolving the fights over resources, service areas, institutional missions, and so forth.

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- (4) **Frustrations with barriers to student transfer and articulation.** The frustration is both with the burden placed on the student when credits do not transfer and the expense to taxpayers of paying for the same course twice.
- (5) **Inadequate coordination among institutions offering one- and two-year vocational, technical, and transfer programs.** In this situation, the competition may be between institutions that have clearly defined missions that differ but still impact the same students, such as a technical institute that provides entry-level job skills and a community college that serves students in a particular service area. When each school is doing what its mission dictates, compromise and coordination become more difficult. The tension also may be because increasing enrollments in two-year programs threaten to drain resources from four-year institutions.
- (6) **Proposals to close, merge colleges or universities, or to change institutional missions.** These proposals often involve small, isolated rural institutions or institutions with similar missions that are in close proximity.
- (7) **Concerns about the effectiveness of the state board.** Policy makers may think an existing board (or other entity) lacks sufficient authority to address issues before it or they may simply lack confidence in the existing leadership and staff.

Guidelines for States Considering Reorganization

A checklist for states considering reorganization has been developed by McGuinness, but three points in particular seem helpful in framing the discussion:

- (1) **Before reorganizing, clarify the state vision, goals, and objectives for higher education. Recognize reorganization as a means to an end rather than an end in itself.** Change may be worse than the status quo if it is conducted without a sense of purpose.
- (2) **Be explicit about the specific problems that were the catalysts for the reorganization proposals.** If funding is the problem, reorganization may not be the solution. Reorganization often is proposed out of frustration over some other issue. Policy makers need to identify the "real issue," because it may be disconnected from the proposed structural changes.
- (3) **Ask if reorganization is the only or the most effective means for addressing the problems that have been identified. Have the costs of reorganization been weighed against the short- and long-term benefits?** When a major change is made in structure, it almost always takes several years for the system to function as intended. The disruption that occurs during the transition must be taken into account and weighed against less radical alternatives. Often, some other solution makes more sense.

PATTERNS OF CAMPUS AND SYSTEM GOVERNANCE, 1994

Consolidated Governing Boards	Coordinating Boards						Planning Agencies	
	Regulatory Boards			Advisory Boards With Program Review and Recommendation Authority Only				
Board for All Public Institutions	Board for All Senior Institutions/ Separate Board for Community Colleges or Technical Institutions	Multicampus or Segmental Systems	Mixed Single Institutional Boards and Multicampus or Segmental Systems	Primarily Single Institutional Boards	Multicampus or Segmental Systems	Mixed Single Institutional Boards and Multicampus or Segmental Systems	Primarily Single Institutional Boards	
Alaska ^b	Arizona	Connecticut	Alabama	Ohio ^f	Alaska ^b	New Mexico	New Hampshire ^{b,c}	Delaware
Hawaii	Florida ^{a,b}	Illinois	Arkansas	Virginia ^k	California	Pennsylvania ^a	Oregon ^b	Michigan ^a
Idaho ^a	Georgia ^c	Louisiana ^b	Colorado	Washington ^{g,k}	Minnesota		Vermont ^{b,g}	
Maine ^{c,d}	Iowa	Massachusetts ^l	Indiana		Florida ^{a,b}		Washington, DC ^b	
Montana	KANSAS	Nebraska	Kentucky					
Nevada	Mississippi	New York	Maryland					
North Dakota	New Hampshire ^{c,b}	Tennessee	Missouri					
Rhode Island	North Carolina	Puerto Rico ^b	New Jersey					
South Dakota	Oregon ^{b,t}		Oklahoma					
Utah	Vermont ^{b,g}		South Carolina					
Washington, DC ^b	West Virginia ^e		Texas					
Puerto Rico ^b	Wisconsin ^e							
	Wyoming ^f							

- a) State board/agency responsible for all levels of education.
- b) State has both a statutory coordinating or planning body and statewide governing board(s).
- c) In Georgia, New Hampshire, Wisconsin, and Maine, postsecondary technical institutes are under an independent statewide board.
- d) Main Maritime Academy is under an independent board.
- e) West Virginia has two statewide governing boards—the Board of Trustees for the University of West Virginia System and the Board of Directors for the State College System.
- f) University of Wyoming is the state's only senior public institution.
- g) All public higher education in Vermont is under either University of Vermont or the Vermont State Colleges. Higher Education Council is a voluntary coordinating entity with no formal authority.
- h) In Louisiana, Delgado Community College has an independent board.
- i) In Massachusetts, the Coordinating Council is legally the statewide governing board for the community colleges and state colleges, but most governing authority is delegated to institutional governing boards. The Council is the coordinating agency for all higher education, including the University of Massachusetts.
- j) In Ohio and Washington, several institutions have branch campuses.
- k) In Virginia and Washington, community colleges are under state agencies/boards.

3-2-95

Kansas

Beginning in 1972 with the Master Planning Commission, there have been numerous entities over the past 25 years studying postsecondary education in Kansas and offering alternative recommendations about how to restructure the current system. Some of the groups were charged by the Legislature with that task, while others were authorized either by the Governor or the State Board of Education. In other cases, groups or individuals assumed that responsibility on their own initiative.

Since the Master Planning Commission made its recommendations in 1972, few of the initiatives from that study or any subsequent study have been implemented. However, given the number of studies and recommendations produced over the past quarter century, it may be concluded that not everyone has been satisfied with the structures and finances of the Kansas postsecondary education system.

Among the more recent changes, most of which were recommended in prior studies, are the following developments. There have been mergers of community colleges with area vocational schools and the development of regional consortia by schools. Other potential mergers have been considered, including Fort Hays State University and Barton County Community College, and Pittsburg State University and Labette County Community College. Legislation was passed in 1994 which allows area vocational schools to become technical colleges. Four schools have made the conversion.

In recent years since 1993, concurrent to the events described previously, legislators began to complain that there had been enough studies and not enough action to implement recommendations. The 1995 Legislature, acting on this complaint and the initiative of the House Select Committee on Postsecondary Education, enacted H.B. 2553 creating the Kansas Council on the Future of Postsecondary Education. Its primary responsibility was to develop a comprehensive state plan for postsecondary education in Kansas.

Two years later in March of 1997 the Council submitted a summary of its conclusions and recommendations to the Legislature, with the statement that "The Council has no plans for any additional meetings." Rather than developing a plan, the Council became another study group which produced a vision statement and three different governance and coordination options. Since no consensus developed among Council members, its recommendations embraced all three options, together with a listing of positive and negative implications of each option.

The Council's recommendations are included in a section of this memorandum that addresses previous studies and resulting recommendations from a variety of entities. What is not included in this review are legislative initiatives introduced by legislators, such as 1997 H.B. 2119, H.B. 2492, H.C.R. 5008, H.C.R. 5009, S.B. 359, or S.C.R. 1607. The constitutional amendments are outlined in the Kansas Legislative Research Department memorandum of July 21, 1997, concerning Article 6 of the *Kansas Constitution*.

The issue of whether the Kansas postsecondary education system needs to be restructured periodically reappears on the legislative agenda. Aims C. McGuinness, Jr., told the Legislative Educational Planning Committee (LEPC) during the 1994 interim that, in his opinion as a consultant for the National Center for Higher Education Management Systems:

How to shape the structures and policies for a constructive relationship between the state and higher education will be one of the most important challenges of the next decade. It is time for states to step back and examine the relevance for the next century of structures formed for an earlier time.

Since 1986, there have been a number of reviews focusing on the numerous studies and recommendations about reorganizing postsecondary education in Kansas. Flentje (1986) prepared a report on the governance of postsecondary education for the 1986 Task Force on Higher Education (a work group of the Legislative Commission on Economic Development). He cites a November 1962 publication, *Kansas Plans for the Next Generation*, published by the Kansas Board of Regents, which states:

For 40 years, therefore, the Board and other agencies concerned with higher education in Kansas have been 'studying' the problems of the State's universities and colleges. No fewer than nine major statewide reports have been prepared since 1922 Literally hundreds of recommendations have been made on how to improve higher education in Kansas or at least how to coordinate it better. But a reading of Kansas educational history leads to the conclusion that nothing much has happened as a result of these reports. The studies were made, the reports were accepted, the material was read, then it was filed. Higher education in Kansas continued to march on much as before.

Others have contributed reviews of past studies, and in some cases their own recommendations for postsecondary education. Pisciotte and Nichols (1990) provide a review in the chapter, "Educational Governance," published as part of *Kansas Policy Choices, 1990: Report of the Governor's Commission on a Public Agenda for Kansas*. This 1990 report recommends the convening of a limited constitutional convention to rework the education article of the *Kansas Constitution*. Since the convention would have to determine how to restructure the postsecondary education system, that study is not included in this report as one making major recommendations about reorganization since it addresses the process rather than the outcomes of restructuring governance. Emmons (1991) contributes "A Review of Selected Studies of Finance and Governance Issues in Kansas Community Colleges." Sicuro (1994) in "A Plan for Governance of Higher Education in Kansas" also reviews the prior studies on this subject as part of his work, which includes a plan with recommendations for changes in governance. A Research Department memorandum issued Jan. 19, 1995, examines 21 studies and resulting recommendations.

The year 1972 is a convenient one for beginning a review, although the selection of that date is somewhat arbitrary. As Flentje (1986) notes, there have been many studies since 1922 when the Kansas Board of Regents was established. Flentje also begins his narrative review of nine studies with the work of the Master Planning Commission in 1972. The history of postsecondary education in Kansas that begins about 1972 is a chronicle of generally increasing student enrollments and financial requirements to maintain access at public and private not-for-profit institutions. There are episodes of enrollment declines in public and private institutions, with early reactions in the form of financial exigency plans and retrenchment, which marked the 1970s. The seemingly more extreme financial dislocations of the 1970s and the resulting reactions were not encountered in the 1980s by the public schools. Among the private institutions, however, three were forced to close in the 1980s.

Some may look back from the 1990s and view the previous decade as the "golden years" of postsecondary education in Kansas. But from the perspective of the planners and critics, all was not right in the postsecondary world of the 1980s and the 1970s. The numerous studies and recommendations of the past 25 years bear witness to this discontent, and a tendency to want something "better" or at least "different" from the way governance and finance were distributed.

In general, the type of studies chosen for this review deal with restructuring, primarily considering the governance arrangements, and secondarily, considering the finance arrangements of the postsecondary education system in Kansas. Reengineering the Kansas postsecondary education system has been the main focus of these studies and recommendations of the past 25 years. Most of the attention addressed the governance structures rather than finance structures. Lack of consensus on exactly what changes were needed in restructuring governance mechanisms, in the absence of an acute financial crisis, probably mitigated against most restructuring recommendations from being adopted. Other states which have reorganized governance frequently were either responding to financial crises or reacting to perceived, severe financial problems.

Questions for Discussion

- (1) To what extent can changes in state-wide coordination or governance of postsecondary education contribute to addressing the problems identified in *Breaking the Social Contract*, including improved performance based assessment; defining and measuring faculty productivity; improving internal accountability in financial management; or contributing to greater mission differentiation?
- (2) Are there steps that can be taken by the Board of Regents to address the issues identified by *Breaking the Social Contract* within the current coordination and governance structures?

- (3) Given the history of coordination and governance discussions in Kansas, is it a good use of Board time and effort to pursue further state-wide coordination or governance changes?
- (4) What changes would the Board like to see in state-wide coordination or governance and why?