

Governance for the Common Good: Has it Happened?

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North Carolina, like many states in the past two decades, has considered various means of restructuring state higher education governance. State governance structures were developed to manage growth, quality, and access issues in higher education (Association of Governing Boards [AGB], 1998). States have chosen various patterns of state-level and institutional boards to govern colleges and universities in order to be responsive to the issues and concerns in the state (Marcus, 1997). Patterns of governance have moved between centralized and decentralized and between governing and coordinating.

A growing literature exists on the role and establishment of governing structures (AGB, 1998; Glenny, 1959; Berdahl, 1971; Ingram, 1993; Kerr & Gade, 1989; McGuinness, 1996; Millet, 1984). Furthermore, as governance structures have changed, researchers have identified patterns of change, those responsible for initiating change, and even the likelihood that governance changes will be successful. Comparative analysis of different state governance structures has also drawn the attention of researchers (Bowen et al., 1997; Gade, 1994; Marcus, 1997; McMahon, 1997).

In the early 1970s, North Carolina moved from a decentralized higher education governance structure to a unitary governing board for reasons common to other restructuring efforts. Key catalysts for this change included: issues of duplication of programs and competition for resources by institutions; lack of coordination, communication, and consistency among institutions; dissatisfaction and conflict with lobbying practices by institutions and other representatives; and concerns about the lack of effectiveness of the State Board of Higher Education. After a long political battle, the Board of Governors of the University of North Carolina (UNC) was formed. “The Board of Governors shall be responsible for the general determination, control, supervision, management and governance of all affairs of the constituent institutions...” (North Carolina State Constitution, Article IX). The current mission of the UNC System states that the University shall seek an efficient use of available resources to ensure the highest quality in its services to the citizens of the State.

Although the literature can direct researchers to possible reasons for restructuring (McGuinness, 1997), it is not known if the results of restructuring efforts address the initial reasons for reform. In the case of the University of North Carolina System, it is not known if the System is meeting the expected outcomes of those who were involved in its design. Furthermore, it is not known if the System is fulfilling its multiple missions.

The mission of the UNC System is to discover, create, transmit, and apply knowledge to address the needs of individuals and society (see Appendix A). UNC System President Molly Board states in her 1998 inaugural address, “As a University [System], we must prove that North Carolina’s deep-rooted belief in the power of education has not been misplaced.” She adds that it is the purpose of UNC to provide quality education and extend its benefits to the citizens of North Carolina. Serving the public interest requires a belief in the purpose of higher education and its centrality to society, referred to as the “public good” or the “common good” (AGB, 1998). Governance for the common good is articulated in the second sentence of the statute mandating the new system of higher education in North Carolina, “The University of North Carolina is a public, multi-campus university dedicated to the service of North Carolina and its people” (North Carolina State Constitution, Article IX). Serving the public interest [common good] should be the prism by which we view all others aspects of governance (AGB, 1998, p. 14).

This study will examine these questions through a focused review of history, select interviews, and long-range planning documents. As governance patterns continue to evolve, what can states learn from the development of the University of North Carolina System? This report will provide a work-in-process document to be used as part of a larger project in collaboration with the North Carolina Center for Public Policy Research. The Center is an independent, nonpartisan, nonprofit organization created to study public policy issues facing North Carolina and to evaluate state government programs. The Center is funded through numerous foundations, corporate sponsors, and individuals.

Several preliminary interviews were conducted for this paper; although, the majority of the interviews are scheduled for the fall of 2002. The information necessary to comprehensively answer research questions two and three will be obtained through these interviews.

Research Questions

It has been said that life is lived forward, but understood backward. History has provided scholars with opportunities to better understand the present and future. This research examines three questions: (1) Has the University of North Carolina System addressed the challenges responsible for its development? (2) Is the System meeting the expected outcomes of those who were involved in its design? and (3) How well has the University of North Carolina System fulfilled its multiple missions?

Growth of the Consolidated University System

The University of North Carolina was established in 1789 and opened its doors to students in 1795 as the first state-supported university in the nation. Unique to its development is the provision in the North Carolina State Constitution which specifically addresses the University, “The General Assembly shall provide that the benefits of The University of North Carolina, as far as practicable, be extended to the youth of the State free of expense for tuition” (North Carolina State Constitution, Article IX). The University of North Carolina was a single campus at Chapel Hill until 1931 when the General Assembly approved a consolidation of three campuses—University of North Carolina at Chapel Hill, the North Carolina College of Agriculture and Engineering (North Carolina State University at Raleigh), and the North Carolina College for Women (University of North Carolina at Greensboro).

With the growth of colleges across the state and the lack of coordination and rationality in allocation of resources, the political leadership endorsed the 1955 Bryant Commission’s recommendation to establish a new state agency (Link, 1995). The General Assembly recognized the State Board of Higher Education as the coordinating and planning agency for higher education in North Carolina. Throughout the Board’s history, its powers were limited by the legislature and those concerned about the autonomy of

the University of North Carolina institutions. With limited authority, the State Board of Higher Education provided little direction to colleges and universities. Growth in North Carolina higher education was inevitable, although, no clear direction was evident.

In 1961, Governor Terry Sanford, with encouragement from William 'Bill' Friday (President of the Consolidated University) and Dallas Herring (State Board of Education), established the Governor's Commission on Education Beyond High School, typically referred to as the Carlyle Commission. The Commission was named for its chairperson, attorney and former Senator, Irving Carlyle, of Winston-Salem. Governor Sanford's political appeal was closely connected to the institutions that were lobbying for four-year, senior college status (Link, 1995). The Commission provided an avenue for Sanford to deflect the pressure of the junior colleges at Charlotte, Asheville, and Wilmington and to address the issue of increased access to higher education through the community college system. King (1987) notes that the legislature, through this Commission, made landmark decisions in three areas: establishment of the Community College System, the authorization for three community colleges (Charlotte, Wilmington, and Asheville) to gain four-year status, and the definition of the function of the University.

These recommendations served as a powerful force for change in higher education. In 1965, the first of several major changes occurred; Charlotte College obtained university status. As the Consolidated University expanded across the state, so did its influence on North Carolina higher education. The expansion brought harsh opposition from the other regional universities and an interesting political debate among its members regarding the new name of the State College campus in Raleigh. "The name fight concerned seemingly trivial differences, but it exposed serious tensions within UNC" (Link, 1995, p. 167).

Supporters of Eastern Carolina College and other regional universities believed that the addition of a fourth campus, Charlotte College, to the Consolidated University would give the University too much power (King, 1987, p. 97). King noted that critics of the Consolidated University believed this expansion would distract from their expansion, would limit their abilities to become graduate institutions, and would restrict the available resources. The debate gained momentum and ended with a proposal to abolish the Board of Higher Education. The Board survived by a narrow margin and its membership was

reconstituted to align with the new Governor's (Robert Scott) interests. Although many recognized the need for coordination of higher education in North Carolina, expansion continued despite the objections of the Board of Higher Education and Consolidated University leaders. The legislature of 1967 granted regional university status to East Carolina College, Western Carolina College, Appalachian State College, and North Carolina Agricultural and Technical College. Wilmington and Asheville continued their push to become universities and joined the Consolidated University in 1969. In the same year, the five remaining public colleges were designated regional universities and granted the right to offer doctoral degrees in 1972. King (1987, p. 106) notes one senator's response to the uncontrolled growth, "I'm going to vote to make Elizabeth City State, Fayetteville State, and Winston-Salem State Colleges into regional universities. Then things will be in such a mess we will have to do something to remedy the situation."

Reconstructing Higher Education in North Carolina

Governor Scott saw the state's patchwork of higher education begin to "stretch and fray" (Solow, 1999). Seeing the limited role of the Board of Higher Education in this chaotic expansion, Scott reconstituted the State Board of Higher Education to include a greater legislative presence (four chairs of the House and Senate Appropriations and Finance Committees and two co-chairs of the Higher Education Committees). This added pressure to the growing tension between the University of North Carolina trustees, legislators, and regional campus administrators and allies. Governor Scott positioned himself to lead the restructuring of higher education. He solicited feedback from Bill Friday, who at that time was one of the leading educational figures in the country. Friday held high-level positions in the national, regional, and local scene. It has been written that Scott and Friday viewed the restructuring differently and important perceptions were misinterpreted (King, 1987; Link, 1995; Solow, 1999).

In December of 1970, Scott convened select trustees from the various institutions in the Governor's mansion to discuss the challenges in higher education. He favored the development of a new structure although he presented other options as well. The result was the formation of the Governor's Study Committee on Structure and Organization of Higher Education, also known as the Warren

Commission, lead by former State Senator Lindsey Warren. This was the beginning of a long, heated political struggle for control of higher education in North Carolina.

Governor Scott supported the majority report of the Warren Commission. The majority report, in brief, included the deconsolidation of the University of North Carolina; placed each of the 16 public institutions under its own board with broad powers; and created a 100-member board of regents elected by the General Assembly and presided by the Governor to coordinate the University of North Carolina System (King, 1987). The Board of Regents would have little power over programs, budgets, and personnel. Opponents of the majority report did not believe the Board of Regents, serving as a coordinating board, would yield enough power to direct the state's higher educational institutions. The individual campuses would continue to vie for their own needs at the expense of the state needs, goals, and priorities. This eventually became the one area on which the two sides could come to some agreement. "Governor Scott shifted his position from support for a coordinating board that would essentially manage the activities of individual board of trustees to a governing board that would retain control over such vital areas as university budgets, academic programs and hiring" (Solow, 1999, p. 32). Consolidated supporters moved from redesigning the State Board of Higher Education to accepting an inclusion of all campuses into the University of North Carolina system with a strong governing board that included significant representation from UNC. It was evident when Governor Scott called a Special Legislative Session on Higher Education in 1971 that a new structure would occur; the question remained as to exactly what it would look like. King (1995) stated:

The Consolidated University was battling for equal representation to protect the values and quality of the historic university and to prove to the regional universities that in union there could be strength. The regional universities were reacting to fear of being gobbled up by the Consolidated University. The Board of Higher Education had little to protect except the positions of its staff members. Governor Scott's position in history on restructuring was secure. He had learned a lot in the previous ten months. A far better structure had been forged than anyone had expected (p. 134).

The new structure was debated until a final reconsidered vote was passed on October 30, 1971. This vote assured equal representation on the board for the Consolidated University and less legislative involvement. The final result was a 32-member governing board, with 16 seats each for UNC and the

regional universities and two temporary, non-voting seats for the Board of Higher Education. The State Board of Higher Education would be abolished and its staff merged with the Consolidated University. The bill also provided for an interim planning committee whose members would become the permanent Board of Governors. As their terms expired, their successors would be chosen by the General Assembly—half by the Senate and half by the House. Provisions for representation by women, minority races, and minority political parties were also established (then removed in 2001).

North Carolina and New York are the only two states with state-level governing board members elected by the legislature (Waller, Coble, Scharer, & Giamportone, 2000). Waller et al. add that North Carolina has the largest state-level governing board in the country. These two features were a direct result of deliberations between proponents of Governor Scott's coordinating board plan (having substantial influence from the Governor) and the Consolidated University regulatory board plan (having less political influence and more representation from UNC).

McGuinness (1995) notes that higher education structures cannot effectively be adopted from one state to another since each state has its unique context and history. Although, understanding the historical development of various state governance structures can help inform decision making of educators and lawmakers currently and in the future. The next section explores whether the key challenges facing higher education in 1971 in North Carolina were addressed by the development of the new governance structure.

Past and Present Challenges

The University of North Carolina was a result of a long, political battle that stemmed from the concerns of multiple constituencies. The historical perspectives offered by Link (1995), King (1987), and Solow (1999) help to explain the challenges responsible for a new system of higher education in North Carolina. It has been 30 years since the development of the University of North Carolina System; yet, the challenges of the past still exist today.

One of the primary concerns of the institutional leaders and their allies in 1971 was the distribution of state resources in an equitable manner. At that time, the regional universities were

concerned that the well-connected former Consolidated Universities would receive greater funding support from the State. Today, it is still a challenge for board members and institutional representatives to set aside narrow institutional interests for the common good of all of higher education. For example, UNC-Charlotte has requested additional funds to meet enrollment demands, and the historically black institutions have sought additional resources to “catch-up” from decades of racial desegregation.

In the report developed by the 1995 Legislative Study Commission on The Status of Education at The University of North Carolina, it was noted that, “...funding levels are not as equitable as they could be” (p. 61). UNC-Chapel Hill and NC State propose that any funding comparisons across institutions are inappropriate and inequitable given their research-extensive status. Discussions arose in 1999 and continue today of a separate board for the two flagship research universities. Equitable distribution of resources continues to challenge the UNC System. Solow (1999) indicates that the change in funding formulas, linking funding to a mix of enrollments and programs, is one example of current policy addressing this issue.

A second compelling issue during the restructuring phase was the treatment of historically black institutions and access issues of minority students. In the early debates, the historically black institutions were concerned about their role within the University of North Carolina System. Would these institutions be closed? Would their unique missions be lost in a large system? Would there be minority representation on a statewide higher education board? These questions along with racial desegregation were concerns of those involved in restructuring. In 1987, the Board of Governors committed to: (1) increase the proportion of black citizens who pursue undergraduate, graduation, and professional study; (2) ensure equal access to higher education opportunities for all citizens; and (3) encourage the further racial integration of the student populations of all constituent institutions (UNC Long-Range Planning, 1986-1991). Today the issue of access for minority students is a critical agenda item for most institutions. In her 1998 inaugural address as President of the UNC System, Molly Broad stated, “We must redouble our efforts to provide educational access and opportunity to all segments of our population. ... I pledge that UNC will work diligently to expand access to affordable higher education to North Carolinians of all races, cultures, ages,

and geographic locations.” Furthermore, it has been acknowledged that some institutions, particularly historically black institutions, do not fair well in the budget process because they have fewer students (Legislative Study Commission, 1995). In 1999, budgets passed by the state House and Senate both contained \$20 million to meet repair and renovation needs at the five historically black universities, as well as UNC-Pembroke (an institution developed for the education of American Indians) (NC Center for Policy Research and Analysis, 1999).

Another critical issue in 1971 was legislative reaction to institutional lobbying. McGuinness (1997) identified this as one of eight recurring elements that has led to higher education restructuring efforts by states. In King’s (1995) historical text, he discusses alliances between individual legislators and campuses. As one example, the late State House member Horton Rountree stated in a 1972 interview that East Carolina University had become “an albatross around my neck” (Solow, 1999). This issue has gained recent attention with several incidences of individual campuses and programs requesting tuition increases, including the UNC Business School in 1997 and other specific programs at UNC and NC State. Legislators indicate that the problem has improved, but has not been eliminated.

A fourth issue was the preservation of a balance of power between individual campus boards and the Board of Governors. In 1971, regional universities were pushing for additional powers for individual campus boards, hoping this would help them maintain stability and independence. The former Consolidated University was seeking a system board that had more regulatory power and could set direction for higher education in North Carolina. Today, individual institutions are still questioning the authority and capability of the board to govern dissimilar institutions. Much as been written about the institutional autonomy debate. One current policy example relates to the out-of-state student admission cap (18%) made by the Board of Governors (Frost, Hearn, & Marine, 1997). For over a decade, institutional boards and individuals within the institutions have been frustrated by the lack of involvement in decision making regarding admissions issues of out-of-state students, particularly since the Board of Governors delegated admissions decisions to institutional boards.

Excessive government intervention has been a concern of educators since the inception of the university. King (1995) discusses the North Carolina Speaker Ban Law of 1963, an act to regulate visiting speakers at state-supported colleges and universities. Higher education leaders and faculty members across the state were vigorously opposed to this imposition on academic freedom. In 2001, Board of Governor's members were concerned about the timing of a Senate proposal to create a special commission to study the structure, mission, governance, powers, size, and effectiveness of the Board (Board of Governors Report, 2001). Members believe this request will seriously distract the Board from addressing some of the most pressing management issues in the history of higher education in North Carolina. Former Governor James Holshouser, Jr. recalls the destructive political battles that took place before 1972 and warned that this type of government intervention could unravel the current governance structure (Board of Governors Report, 2001).

The 1971 restructuring debate also included questions about program duplication and academic standards. Leaders at flagship institutions at Chapel Hill and Raleigh suggested that a consolidated system would bring academic standards down to the lowest common denominator among the 16 campuses (Solow, 1999). Although most agreed that coordination across institutions was important, regional colleges, particularly the historically black colleges, cautioned that by eliminating all duplicate programs smaller colleges would be more likely to close. Since restructuring did not result in the closure of institutions or the demise of the flagship campuses, it would seem that past concerns were resolved. Yet, duplication of programs is still a challenge, specifically today when the Board of Governors is requiring institutions to dramatically reduce costs and expenses. Institutional leaders are facing tough decisions regarding the continuation of certain academic programs. Duplication of programs and activities within the institution and across institutions will certainly be part of the decision making process.

The final issue during the 1970s concerned the rising costs of higher education. This was particularly important since the North Carolina State Constitution mandated that benefits of the University of North Carolina and other public institutions of higher education be extended to the citizens "free of expense." Recent decisions by the individual campuses, the Board of Governors, and the

legislature have supported tuition increases. Legislators have expressed some tension with these decisions. They indicate that tuition increases will negatively affect opportunities for some North Carolina citizens and are not in the public's best interest. In 2002, the issue of rising costs and adequate funding is at the forefront of every higher education discussion.

Many key challenges responsible for the restructuring of higher education in North Carolina in 1971 exist in some form today. Restructuring has had limited affect on resolving these issues. If restructuring has not resolved the challenges of the past, is the System meeting the expectations of those responsible for its development? The second research question addressing the expectations of those who were involved in developing the System will be answered through interviews scheduled for the fall of 2002 in collaboration with the North Carolina Center for Public Policy Research.

The North Carolina University System, Its Mission and Purposes

Serving the common good by enriching the quality of life in the State is part of the University of North Carolina System mission. Furthermore, "Realistic planning for public higher education should reflect the fundamental assumptions and aspirations that a State and its citizens have about education" (Long-Range Planning, 1987, p. 1). Does the University of North Carolina System fulfill its mission and address the common good?

The Higher Education Reorganization Act of 1971, asserted these basic objectives and purposes for the University of North Carolina System: (1) to improve the quality of education, (2) to extend its benefits; and (3) to encourage an economical use of the State's resources, in order to foster the development of a well-planned and coordinated system of higher education. These and other mission-related questions will be addressed in conjunction with the North Carolina Center for Public Policy Research.

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Appendix A

Mission of the University of North Carolina System

The University of North Carolina is a public, multi-campus university dedicated to the service of North Carolina and its people. It encompasses the 16 diverse constituent institutions and other education, research, and public service organizations. Each shares in the overall mission of the University. The mission is to discover, create, transmit, and apply knowledge to address the needs of individuals and society. This mission is accomplished through instruction, which communicates the knowledge and values and imparts the skills necessary for individuals to lead responsible, productive, and personally satisfying lives; through research, scholarship and creative activities, which advance knowledge and enhance the educational process, and through public services, which contributes to the solution of society problems and enriches the quality of life in the State. In the fulfillment of this mission, the university shall seek an efficient use of available resources to ensure the highest quality in its services to citizens of the State.

Teaching and learning constitute the primary service that the University renders to society. Teaching, or instruction, is the primary responsibility of each of the constituent institutions. The relative importance of research and public service, which enhance teaching and learning, varies among the constituent institutions, depending on their overall missions.