TOO BIG TO FAIL

BY KEVIN P. REILLY

With more than 10 million students enrolled, public systems must uphold a public trust with strategic and peripheral vision.

THE RELATIVELY RECENT RISE of public, multi-campus systems is a distinctive and, to some, little understood facet of American higher education today. Across the United States, there are about 55 public, multi-campus systems that oversee mostly four-year institutions, and another 30 systems overseeing two-year colleges. Together, they enroll more than half of all postsecondary students—upwards of 10 million people. And of those students attending public, four-year colleges and universities, an estimated 75 percent study at campuses in public university systems.

If systems are, to borrow a line from the Great Recession of 2008, "too big to fail," then it's chiefly because so many Americans now count on these systems for their own success.

Understanding what makes the boards of these systems different—in kind as well as in degree—from the boards of single institutions is key to improving their effectiveness. Balancing statewide needs with respect for discrete institutional mission, overseeing cost-efficiency, and ensuring quality are just some of the critical areas with which system boards and state educational leaders grapple.

That's why, in 2013, AGB's National Commission on College and University Board Governance encouraged further exploration of the particular challenges and opportunities of the boards responsible for multiple institutions. AGB subsequently assembled the Task Force on System Board Governance to do just that and to make recommendations to ensure systems' effectiveness.

The resulting report, "Consequential Board Governance in Public Higher Education Systems," was released by AGB this past fall. Developed in partnership with the National Association of System Heads (NASH) and with the advice of a task force of distinguished higher education leaders and trustees, which I chaired, this report presents timely, specific, practical recommendations to three distinct audiences: system governing boards, system heads (i.e., presidents and chancellors), and state policymakers.

THE STATEWIDE PUBLIC AGENDA

Historically, the main reason states created public higher education systems was to ensure that their investment in post-secondary education addressed as fully and cost effectively as possible the need for an informed citizenry and a prepared workforce.

To be sure, each public college and university has its own mission, history, and regional engagements, and perhaps some broader statewide aspirations and responsibilities, as well. The leadership of each institution should be appropriately committed to enhancing its individual reputa-

tion and sustainability. But unless the visions, strategic plans, and competitive energies of the public campuses in a state are purposefully connected to the larger directions in which the state wants to move, the overall return on investment to the people of the state will disappoint. The whole should be more than the sum of its parts; the investment should be paid back with interest.

Systems are uniquely positioned to take on the big challenges facing the state because of their ability to pool capacity, leverage change across multiple institutions, and direct resources to where they will have the most positive effect. The AGB report urges system boards to develop a strategic plan that features a set of specific deliverables for the social, educational, and economic future of the state and its communities, focusing the strengths of distinct campuses toward a shared public agenda.

It identifies one crucial deliverable, calling on system boards to work with the system head to increase the number of credentials the system awards by a given number, by a given date, in a way that aligns with national and state needs. In a globally competitive knowledge economy, America cannot abide the trend of falling further behind other countries in the percentage of its population with a college degree. The participation and completion gap for many minority and low-income students—part of the fastest growing segments of the U.S. population—is a persistent and troubling subtext of this problem. If these populations continue to be underserved, then we are unlikely to meet the college-attainment goals that are necessary for sustaining economic and civic health.

Meeting this challenge increasingly lies with strong, coordinated leadership at the system level, especially at a time

TAKEAWAYS

1 AGB's Task Force on System Board Governance has urged system boards to develop a strategic plan for the social, educational, and economic future of their state and its communities.

2 The visions, strategic plans, and competitive energies of public campuses must be purposefully connected to the larger directions in which the state wants to move.

3 Independent-minded governance in the public interest, along with informed advocacy by system board members, will burnish the reputation of these educational systems, which are truly too big—and too important—to fail.

when more students "swirl" among institutions, earning credits at two or more on their way to a credential. Boards must monitor and support carefully crafted, system-wide policies on remediation, degree pathways, and transfer to improve graduation rates that are hovering at a dismaying 50 percent.

INDIVIDUAL CAMPUS MISSIONS

One of the aspects of system boards' work that makes it different from and tougher than that of other boards is presiding over a multi-institutional landscape where there is always lots of movement.

A system board must balance a number of institutions' interests while presenting a unified voice to policymakers, the news media, and the public. It also should represent the collective interests of all citizens, and the interests of all system institutions, equitably. It must monitor multiple campuses while simultaneously advancing the system as a whole.

Some system boards are not well-structured for the task. Some boards have too few members for too much work; the task force's report recommends 12 to 20 members for a system board. Also, legal requirements (or personal habits) of regional representation on these boards can lead to lapses in focus, a case of seeing institutional trees but not the system forest.

The language the report uses is that systems should be "unified, cohesive, integrated, intentional, modern, and entrepreneurial." This description raises the question of how a far-flung, complex organization composed of variegated units manages to be all of those things. The answer comes, in part, from the board's leadership in helping to define and support well-articulated missions for each institution.

I mean "well-articulated" in the sense that it is both clearly and accurately presented based on the known strengths and reasonable aspirations of the institution, and at the same time it complements the discrete missions of the other campuses in the system. The idea here is akin to a tile mosaic, each tile polished to a high gloss in its own color, no two alike in shape and size, with all working as part of an integrated whole that amplifies the value of each part. Getting each campus mission right, and positioning them all appropriately in relation to each other, is something only the system board can do.

NON-DUPLICATION AND COST-EFFECTIVENESS

An institution's mission statement should provide a framework for the kind of degrees and other programs and services it offers. Conscious that institutions must hew to their missions in order to prevent wasteful competitive redundancy within a system, AGB recommends that system boards approach changes to academic mission with caution. Given the new demands being placed on institutions that are driven by factors such as population growth and workforce development, boards should identify academic overlaps and make hard decisions about the scope of each institution's contributions to the public good.

Like many other items in a system board's portfolio, this requires a delicate balancing act. Not all duplication is profligate duplication. Few would argue that only one campus in a system should teach American history or economics or biology.

There is a natural tendency among campuses in a system to want to do more at a higher level. This tendency can involve institutions both competing and cooperating with each other—a sort of "coopetition" at different times and in different venues. It may seem as if the community colleges are always pressing for baccalaureate degrees, the technical colleges for liberal-arts programs, the baccalaureate and master's-level institutions for doctorates, and the doctoral campuses for more professional schools!

This yearning for growth and change is not, on its face, a bad thing. Colleges and universities should not be static entities, any more than the societies they serve are static. One person's "mission creep" is another's strategic responsiveness. This delicate balancing compels a system board to encourage innovation, entrepreneurship, appropriate use of technology to deliver educational programs, and reasonable risk-taking on each of its campuses, all while reviewing requests for new programs through a transparent process that focuses on hard evidence of need, demand, cost, and revenue.

A number of systems in recent years have considered, attempted, or accomplished mergers, consolidations, or cooperation across institutional boundaries in the interest of cost savings. The record of success is mixed. Full merger is the most difficult of these operations to pull off, because so many institutions have a fierce attachment to their own identity and historical mission. Local campus boosters and alumni will sometimes tangle with the system board and leadership over merger plans, and the fallout from these fights can poison relationships for decades. Administrative consolidation and back-office or degree-array cooperation are easier to do but may not save as many dollars as merger.

Making more efficient use of current resources through inter-institutional partnerships is another approach a system board can take to avoid redundancy and hold down expenditures. In many respects, system boards—with their broader mandate to match system-wide resources with public needs—may be better able than individual campuses to see and orchestrate these partnerships. An example: Engineering and technology companies from the Fox River Valley in northeastern Wisconsin approached me when I was president of the University of Wisconsin System about building a new engineering school to advance the skills of their regional workforce and address projected workforce needs. Developing an engineering college from scratch in a state of 5.5 million people with three other public and two private engineering schools would have been cost-prohibitive overkill.

Instead, we worked with the UW-Platteville College of Engineering, Mathematics, and Science to offer some of its four-year programs on the UW-Fox Valley two-year campus. The companies were pleased with this cost-saving partnership,

> Making more efficient use of current resources through inter-institutional partnerships is another approach a system board can take to avoid redundancy and hold down expenditures.

and even joined as partners themselves by paying to outfit several rooms at UW-Fox Valley as engineering labs. Check off a win "engineered" by the system for the companies, their employees, the regional economy, and the state taxpayers. Systems and their boards would do well to be on a constant hunt for these kinds of opportunities to demonstrate that they can nimbly transport educational programs from one institution and region in the state to others.

DEFINITIONS OF QUALITY

Many systems contain a variety of institutions within them. These institutions may have different admissions standards; degree offerings; financial aid availability; cooperative learning, service learning, and internship opportunities; peer tutoring arrangements; career placement operations; study-abroad programs; graduation requirements; and on and on. The advantage this variety holds for students is the individual's ability to find the most appropriate "fit."

In 1970, 6.3 million undergraduates attended American colleges and universities. The projection is that by 2018, that number will have risen to 17.5 million.

They arrive with a much wider set of backgrounds, expectations, and aspirations than ever before, and the United States has institutions with features ranging from open admissions to highly selective, large to small, residential to commuter, to meet their needs. That's all to the good for the prospects of democracy.

The increasing number and diversity of our student population raises new questions of what constitutes a quality higher education for every one of them. Think of the definitions of quality among the 18-year-old residential freshman who wants to study history and immerse herself in the full undergraduate experience of four-year campus life; a 26-year-old with a high school diploma looking to earn an associate degree related to a job he wants in the electronic gaming industry; and a 38-year-old single, working mother who needs 21 more credits to complete a bachelor's degree in business administration so she can move up into the supervisory ranks.

These three students want different things out of a higher education. They want and need to get to those different *ends* using a wider variety of *means* than higher education has broadly offered in the past. These means now include such techniques as online delivery, "flipped" classrooms, blended learning, accelerated semesters, collaborative learning, competency-based education, and prior learning assessment. Some of these approaches can help hold down the *cost* to the institution of delivering the degree and the *price* of earning it paid by the student.

Various campuses in public college and uni-

versity systems can serve as test beds and demonstration sites for one or more of these techniques, if they are governed by a forward-looking board that encourages experimentation, demonstrates an appropriate level of risk tolerance for the inevitable failure of some ideas, and supports redirection. Boards with these qualities, in collaboration with their system and campus heads, can lead a redefinition of quality in American higher education that focuses more on positive outcomes for the many than richer inputs for the few.

CONCLUSION

As the new AGB report states, system offices have no campus, students, or alumni; conduct no research; and field no athletic teams. Because of their nature, systems and their governance are commonly misunderstood by the general public, if they are not off the radar altogether. What should the relationship of a public system board be to the public?

An elected official in Wisconsin once lectured the system board of regents that he wanted them *not* to be advocates for the university, but advocates for the taxpayers. Board members have a responsibility to be both, recognizing that current and past taxpayers have invested in the system with the intent that it remains strong so as to offer a brighter future for generations to come.

Independent-minded governance in the public interest, along with informed advocacy by system board members, will burnish the reputation of these unmatched engines of American democracy and progress. In the current vernacular, their trustees play a critically important part in making them too good to fail. ▪

AUTHOR: Kevin P. Reilly is president emeritus of the University of Wisconsin System and regent professor and an AGB senior fellow. He chaired the AGB Task Force on System Board Governance.
EMAIL: kpreilly@uwsa.edu

T'SHIP LINK: Thomas Meredith, "Public University Systems: A Checklist for Success," September/October 2014.

OTHER RESOURCES: "Consequential Board Governance in Public Higher Education Systems" (AGB, 2016). "2010 Public Institution and University System Financial Conditions Survey" (AGB, 2010). *Effective Governing Boards: A Guide for Members of Governing Boards of Public Colleges, Universities, and Systems* (AGB Press, 2010).

What should the relationship of a public system board be to the public?