Statewide Coordination Of Higher Education: The Case Of New Jersey

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STATEWIDE COORDINATION OF HIGHER EDUCATION: 
THE CASE OF NEW JERSEY  

BY 

GERRI BUDD 

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And thanks to my mom and dad, for everything, especially for the gift of the love of learning.
DEDICATION

This work is dedicated to my husband, David, without whose love, understanding, patience and generosity it could never have been completed.
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CHAPTER I

Introduction

Background of the Research Question

The tremendous expansion of American higher education during the latter half of the twentieth century led to huge increases in state expenditures on higher education, from approximately $500 million in 1950 to about $1.4 billion in 1999 (Berdahl 1971, Chronicle of Higher Education Almanac, 1999). As budgets for public higher education grew in the 1960's and 1970's in response to the rapidly growing student population, the relationship between state government and public higher education became more and more complex as states sought to regulate institutions without intruding into matters of academic freedom. This increasing complexity gave rise to the creation of higher education coordinating agencies, meant to function as intermediary mechanisms which transmit the needs of the institutions to the state and the wishes of the state to the institutions (Berdahl, 1971).

Typically, a higher education coordinating body addresses issues of planning, program review, budgeting, and policy analysis as regards the state's public institutions of higher education (Glenny, 1985). Coordinating bodies may exert varying degrees of influence or control over these issues depending on both the type of agency created and the powers assigned to it by the state legislature. Statewide coordinating mechanisms
have been established amid fears of state infringement upon matters of academic freedom and institutional autonomy.

The concept of institutional autonomy is not the same as that of academic freedom. Academic freedom is generally accepted as the right of professors to pursue free inquiry without fear of termination of employment as a result of that inquiry. The principle of institutional autonomy, however, is the power of a university or college (whether as a single institution or a multicampus system) to govern itself without outside controls. In addition, contributors to the literature on statewide coordination systems generally accept distinctions between substantive autonomy, defined as the power of the university or college in its corporate form to determine its own goals and programs; and procedural autonomy, defined as the power of the university or college in its corporate form to determine the means by which goals and programs will be pursued. (Berdahl, 1971)

Institutional autonomy may come under scrutiny by the state when the state is the principal source of the institution’s funding. State coordinating agencies may legitimately focus on procedural controls, but the state and its public institutions of higher education must come to some understanding regarding the state’s role in the institutions’ substantive autonomy; substantive autonomy is necessarily hampered by the institutions’ need to obtain funding from the state. The problem then becomes one of balancing the degree of required state interference in the name of the public interest against actual threats to substantive autonomy (Berdahl, 1971).

Historically, American colleges and universities have been extremely independent institutions. From colonial times until the late 1800’s, public state universities modeled
their governance structures after those of the private sector, adopting institutional lay boards in order to manage the institutions in the public interest, yet still protect their near-complete autonomy (Pliner, 1966; Berdahl, 1971). Single statewide governing boards, which essentially merge the state’s individual public colleges and universities into one system, grew in number across the United States late in the 19th century and were created by statute to control institutional lay boards or replace them if the state considered it necessary. Arrangements of voluntary cooperation among institutions gained limited popularity in some states in the 1940’s and 1950’s. However, lack of cooperation among institutions led most states to abandon voluntary organization. The main criticism of the voluntary association model was that the major outcome of such associations was preservation of the status quo (Johnston, 1977). Coordination boards, also created by statute, are endowed with differing degrees of regulatory and/or advisory powers.

In the 1960’s, many states turned to varying types of coordinating boards to oversee their public systems of higher education because they provide an intermediary between the institutions and the state; however, unlike governing boards, coordinating boards have no authority to abolish institutional boards (Pliner, 1966; Berdahl, 1971). Similarly, in 1966 New Jersey established its state Board of Higher Education and added the Department of Higher Education to the state cabinet. The Board and Department of Higher Education together remained as New Jersey’s higher education coordination mechanism until 1994, when, shortly after assuming office in January, New Jersey governor Christie Todd Whitman announced plans to restructure the state’s system of higher education coordination. The governor’s plan called for the elimination of the Board and Department of Higher Education and the institution of two new agencies: the
Commission on Higher Education and the Council of College Presidents. The plan was originally described by the governor's administration officials as an attempt to combine elements of the higher education coordination models of both Michigan and Virginia (Braun, 1994).

The purpose of this study is to examine the changes in the New Jersey system of higher education coordination from 1970 to 1999, since the last major comprehensive study of New Jersey higher education coordination was conducted in 1969 by Robert O. Berdahl as part of a national study on higher education coordination at the state level. Berdahl (1969) described the development of higher education coordination in all 50 states from their inception until 1969. Because of the date of the Berdahl study, there now exists a 30-year gap in the literature as to the development of higher education coordination on a national scale. This analysis, however, focuses on New Jersey because New Jersey, one of the most populous states in the nation, revised its system of higher education coordination comprehensively in 1994.

The Research Question

What has been the evolution of higher education coordination in New Jersey from 1970 to 1999?

Subsidiary Questions

The subsidiary questions of this study are the following:

1. How is higher education currently coordinated in New Jersey?

2. How has the role of the state government changed with respect to
the coordination of higher education from 1970 to 1999?

3. What were the causes and forces behind the changes in higher education coordination in New Jersey from 1970 to 1999?

**Definition of Terms**

Throughout the course of the study, various terms were used in the historical analysis, the interviews, and in the discussion of results. Below are definitions of specific terms used frequently in this study:

Higher education coordination: The term "higher education coordination" refers to the widely held political and educational theory and practice that institutions of higher education must work together within the state to reduce program duplication, facilitate student access to higher education, attract native students to the institutions and retain them, contribute to the state economy, control inter-institutional conflict and competition, determine and maintain academic and regulatory standards, and meet any other overt higher education needs of the state.

Statewide coordinating body, statewide coordinating agency, statewide coordinating structure or model, and statewide coordinating system: These terms are synonymous and refer to the state agency created as an intermediary between the state government and the public institutions of higher education, typically responsible for regulatory functions such as planning, budget review, policy analysis, and program review.

Planning: The term "planning" refers to the coordinating body's authority to assess the state's future employment and educational needs and to direct the institutions
Planning: The term "planning" refers to the coordinating body's authority to assess the state's future employment and educational needs and to direct the institutions to address those needs. Institutional compliance depends on the level of enforcement power granted the agency by the state government.

Program review: "Program review" designates the statewide coordinating agency's authority to initiate or change degree programs as well as found new institutions.

Budget review: The term "budget review" is used to indicate the coordinating agency's ability to survey and in some cases approve the institutions' funding requests.

Policy analysis: "Policy analysis" refers to the coordinating agency's function of assessment of institutional and agency effectiveness, as well as assessment of the state's higher education sector's response to state needs.

Purpose of the Study

The main purpose of the study is to describe and explore the development of higher education coordination in New Jersey, so as to better understand how such a comprehensive restructuring of the state's coordinating system could be implemented within months. In contrast, the establishment of the Board and Department of Higher Education was a painstaking process - a response to pressure from different stakeholders and the changing demographics of the student body. The researcher became curious about what factors drove 1994's relatively swift reform, which led to a broader inquiry into New Jersey's entire history of higher education coordination.
Significance of the Study

The years 1970-1999 in American higher education were marked by steady growth in student enrollment and revenues in the 1970's, followed by retrenchment and reorganization in the 1980's and 1990's as national demographics began to shift and the pool of college students of traditional age, 18-24 year olds, began to decline while institutional costs outpaced inflation. Clotfelter, Ehrenberg, Getz and Siegfried (1991) attribute this increase in costs to five main factors. First, competition in the higher education market caused the need for institutions to meet market demands for state of the art programs and equipment to survive. Second, the labor intensive nature of the higher education enterprise creates little opportunity for institutions to substitute other inputs for labor in the face of rising cost of that labor. Third, faculty, administrators, and trustees sought to improve quality to gain status, and charge more for it, which was a quite visible trend in the 1980's. Fourth, many observers and critics such as Keller (1983) pointed out the many examples of poor financial management and decision-making in higher education. Lastly, higher education incurred high costs while implementing government regulations such as carrying out mandates of the federal Occupational Safety and Health Administration, ensuring handicapped access, and asbestos removal (Clotfelter, et al., 1991).

Until the late 1980's, the main trend in most state governments with regard to public higher education was toward the development and centralization of coordination, because public colleges and universities were seen as an enterprise that needed greater state control in the face of rising costs. Contributors to the literature on higher education
coordination now report a gradual reversal of the statewide consolidation of institutions, as part of the national political movement toward bureaucratic decentralization prevalent at all levels of government in the 1980's and 1990's (Brown, 1990; Novak, 1993). It has been argued that, because of declining enrollments and the relatively decreasing levels of state expenditure on higher education, the states are beginning to return some measure of autonomy to the institutions in return for increased accountability (Brown, 1990). If this tendency continues, it would signal an almost complete reversal of the trends that gave rise to increased regulation - specifically, rapid growth in enrollments and increased spending on higher education.

Efforts to create or reorganize statewide governance of higher education are often a sign of wider underlying dissatisfaction with public higher education - the institutions, the state university system, a particular sector of institutions, or the governing/coordinating board (Novak, 1993). If New Jersey's experiment with deregulation is in fact at the forefront of change, then it would be most useful to understand the changes in New Jersey higher education coordination. New Jersey is arguably a bellwether state in the study of education because of its size in terms of both population and the number of colleges and universities in the state. An analysis of higher education coordination here may help lead to an understanding of changes that may take place in the way higher education is coordinated in the rest of the United States.

Limitations of the Study

The researcher recognized that the study was limited by the availability of the intended interview subjects, which had an impact on how closely the study could follow
Berdahl's (1969) research design. Berdahl's research design recommends that an analysis of a given state's coordinating structure attempt to include interviews with members of the state government, the coordinating agency, and the institutions. Further, Berdahl recommends interviews with as many of the following as possible: the governor; past governors; state budget officers; chairmen or members of the finance, appropriations, and education committees of the legislature; staff of the legislative research council; directors, staff, and members of coordinating agencies; university, college, and community college presidents, administrative officers, trustees, and faculty and student leaders.

The researcher attempted to contact the governor, two past governors, legislative personnel, and most of the state and community college presidents; however, none were available for interview. In the case of the colleges, the views of the different sectors of New Jersey higher education are represented by members of their statewide associations. Inclusion of the views of the governor, past governors, members of the legislature, and more college presidents whose institutions were directly affected by the restructuring might have offered different sector perspectives of the events under study.

**Organization of the Study**

The study is organized into six chapters. Chapter I presents an introduction to the study, and explains the research and subsidiary questions, the definition of terms, the significance of the study, the limitations of the study, and the organization of the study.

Chapter II is a review of related literature, and is organized into three main categories to describe the nature of higher education coordination. These categories include the private sector, institutional autonomy, and the scope of agency powers.
Chapter II then offers a summary of these main themes found in the relevant research and theory on higher education coordination.

Chapter III is entitled 'Methodology' and presents information on the study's conceptual framework, the interview procedures, the pilot study, the collection and treatment of data, as well as a summary.

Chapter IV is entitled 'Historical Context: Politics, Education and the Board and Department of Higher Education in New Jersey' and discusses historical context, the development of higher education in New Jersey, the growth of state government oversight of higher education in New Jersey which includes a look at the Board of Education, the Division of Higher Education, and the Board and Department of Higher Education. The chapter concludes with a discussion of the development of restructuring and a summary.

Chapter V is entitled 'From Cabinet Department to Commission: The Dissolution of the Board and Department of Higher Education; Presentation of Interview Findings,' and provides an overview of the interview respondents, a summary of background questions, and a detailed reporting of the interview findings, which are divided into subsections which discuss the Board and Department of Higher Education, the Commission and Presidents' Council, and an evaluation of the transition.

Chapter VI concludes the study and is entitled 'Summary and Conclusions.'
CHAPTER II
Review of the Literature

Introduction

The nature and variety of higher education coordination systems in use across the United States have given rise to a body of literature examining the complexity of structures in use and the issues facing the coordinating agencies. The majority of studies were produced in the 1970's and 1980's, after nearly every state had implemented some type of coordinating body and there was clear evidence of the emergence of a new area of study. These reports consist mainly of theoretical and descriptive analyses. Studies conducted in the 1990's focus primarily on resource allocation issues and system management trends. This chapter examines the literature on higher education coordination according to the contribution made to a broader understanding in three main areas.

The first section is entitled 'The Nature of Higher Education Coordination' and looks at the factors that link state government and higher education, as well as the nature of the state government's interest in the functioning of the institutions and the coordination of those functions in both the public and the private sectors. Section two, entitled 'The Limits of Institutional Autonomy under the State Coordinating Agency,' discusses how institutions of higher education perceive and maintain operational
autonomy within the parameters of state authority. Section three, 'The Scope of the State Coordinating Agency's Powers,' reviews the literature on the limits and uses of state authority through the powers given the state's higher education coordination agency.

The Nature of Higher Education Coordination

A thorough treatment of the evolution of higher education coordination in any state requires an understanding of what the state's educators and legislators are trying to accomplish when they endeavor to plan for higher education. This section describes the basic ties between the state and its system of higher education, the development of higher education coordination, the state's approach to its independent institutions, and state efforts to assess its institutions of higher education.

Fundamentally, the right to grant degrees rests with the state, not with the institution. Therefore, the state has a regulatory interest in controlling who grants degrees in its name (Belsches-Simmons, 1983). All justifications for state interference in the administration of colleges and universities have their basis in that interest.

A second fundamental link between the institutions and the state is financial. During the colonial period and the first century of independence most New England and Middle Atlantic states rendered substantial subsidies to their private institutions (Berdahl, 1970). After the Morrill Land Grant Act of 1862, most states began appropriating money to the state university as well as to the state normal schools and teachers' colleges, and state appropriation to higher education reached over $52 billion in 1999 (Keller, 1983; Chronicle of Higher Education, 1999). Most states have delegated the higher education
monetary allocation functions and regulatory oversight to the higher education coordinating body.

Most state governments have come to believe that the stated purposes of higher education, such as an educated workforce, well-conducted research, and the continued development of new knowledge, are better achieved through coordination and planning than by allowing each institution to create new centers, add new programs, adjust admission standards and tuition at will, and then trust that such actions in the aggregate promote the best interests of the state (Glenny, 1985).

Glenny and Bowen (1977) and Glenny and Schmidtlein (1980) have identified seven areas in which the state may make policy for higher education:

1. **Governance, coordination, and administration:** States may establish the number, type, and location of campuses. They may organize campuses through governing and coordination structures to assure implementation of state policy. They may formulate and enforce state plans.

2. **Access:** States may fix the numbers, distribution, and qualifications of students. They may determine the amount and conditions of student financial aid, and establish procedures to assure equitable access and equal opportunity.

3. **Instruction:** States may establish criteria or procedures for determination of the adequacy of new and existing academic programs. They may establish procedures to assure geographically
equitable distribution of basic programs, and avoidance of
unnecessary duplication.

4. Research: States may establish research programs for specific
purposes, and require investigation of issues relevant to the state,
and may condition the performance of research funded from other
than state funds.

5. Public Service: States may require training for perceived state
manpower needs, both initial entry training and continuing
compulsory training thereafter.

6. General Support: States may determine levels of support using
formulas or guidelines. They may determine both general salary
levels and distribution of salary increments. They may use
budgetary procedures or funding levels to implement or enforce
policy positions in virtually all areas of higher education.

7. Accountability: States may require adherence to standard
accounting procedures, may conduct pre-audits and postaudits of
accounts. They may establish procedures for purchasing and
construction. They may conduct performance or program audits,
and may establish standards for faculty activity. (Glenny and
Schmidlein, 1980, p. 24)

Higher education has enjoyed a unique status in state government in that many
university systems and statewide boards are described in the state constitution, given
powers of corporate autonomy and internal control over personnel and finance (Berdahl,
1979; 1980). Historically, American attitudes toward what is an acceptable degree of
government involvement in functions such as ownership of industry, provision of social
services, and regulation of private economic behavior show that Americans tend to prefer
a badly functioning private marketplace to a well-run government monopoly. In
education, traditional American antipathy toward excessive government control has led to
the concept of statewide coordination, whereby the states may exert some degree of
control of higher education without the complete centralization of authority (Skolnik &
Jones, 1992).

The initial drive toward higher education coordination came at the beginning of
this century, notably in Iowa and Florida, and gained momentum at the beginning of the
Depression. Glenny (1985) describes a 1933 Carnegie Foundation report critical of the
legislative bickering over higher education then going on in Montana, but typical of such
battles being waged in statehouses across the country:

Vigorous and hostile lobbies sought appropriations for each educational
institution. Educational lobbying became so intense during the early
sessions . . . that it was difficult for the legislators to consider important
State matters in other divisions of government. This educational
competition and head-on collision of State teaching units . . . interfered
with the development of service and the building of State consciousness.
Effort, energy, and money which should have been employed
constructively for the enrichment of institutional life and the improvement
of public service were wasted in legislative and statewide rivalries. (p. 2)
The first coordinating board for higher education was authorized by a constitutional amendment in Oklahoma in 1941, by which time fourteen states had established single governing boards for all of their public four-year institutions. By 1968, twenty-six states had established coordinating boards with limited statutory powers through which to manage the growth of the public institutions. Glenny (1971) concludes that coordinating boards proved to be the most popular variant of statewide higher education regulation primarily because such boards could be authorized with relative ease in that they neither disturb the state constitution nor do they interfere with the authority of established institutional boards. The creation of a single governing board requires the abolition of all boards in existence as well as coming to some political agreement on the new board, a process which is fraught with trauma and pits strong political forces in polar opposition.

The study of the main functions of the coordinating agency may be conducted in light of whether the state’s higher education system and economy are in a state of expansion or decline. When higher education was a growth industry after World War II, institutional expansion and new program development was the norm, but retrenchment during the 1980’s has necessitated that coordinating bodies review new programs in terms of resource allocation (Seymour, 1988). During growth periods, planning includes identifying future needs; during decline, planning must involve reallocation of resources which is at the heart of the budget review function. Each university system has had to adjust to the political situation in its own state (Callan & Jonsen, 1987; Gove, 1986).

Glenny and Schmidtlein (1980) explain that higher education is usually the last major state service to be given an appropriation by the legislature. After meeting federal
matching requirements for health, welfare, highways, and dozens of other programs, and
the public schools have been funded by a preset formula, most state governments have
only about 20 to 40 percent of their general revenue to "play" with in the budget (p. 25).
Higher education, as the largest and most complex of the functions to be funded from
discretionary monies, is reviewed more carefully by both the legislative and the
administrative branches of state government so that as much money as possible may be
freed for other new state services and programs (Glenny and Schmidtlein, 1980). As
states have responded to fiscal pressures by appropriating fewer dollars to higher
education, institutions have responded by seeking more procedural freedom to manage
cutbacks (Folger & Jones, 1993).

While higher education has increasingly become recognized as being vital to
individual and societal well-being since World War II, the public has become less able or
less willing to provide previous levels of support. As Folger & Jones (1993) explain:

For many years, state government has viewed higher education much as it
would a public utility, emphasizing the creation of institutional capacity
that could be tapped readily by citizens who were so inclined. This view
led to an almost singular emphasis on access, on funding tied to
enrollments and on forms of accountability that incorporated enrollment
audits and attention to the efficient use of resources. While this particular
orientation has not disappeared, higher education is increasingly viewed as
a strategic investment and a means to achieving the ends that society
deems important. (p.4)
Historically, state appropriations for higher education have generally recovered strongly with the economy, leading to a sometimes long period of relative prosperity for the academic sector (Zumeta, 1993). The current strong economy, however, does not seem to reflect this pattern. Recent increases in state funding have barely kept up with inflation and states have made political decisions that exacerbate this situation. Thirty states enacted tax cuts in 1995, which is not unusual several years into a recovery, but the political climate in many states is hostile to increased taxation for public purposes (Zumeta, 1996).

The Private Sector

The public sector of higher education, directly supported by the state, competes for students and resources with the private sector. Therefore, state policy toward its public institutions can and do affect the state's independent colleges and universities. Since it is intended to cover New Jersey's higher education system as thoroughly as possible, this study must include an examination of the relationship between the coordination agency and the private institutions.

Contributors to the literature on the nature of coordination tend to treat the relationship between the state and the private sector separately from that of the state and its public institutions, primarily because before the rise of coordination there tended to be relatively few state actions directly relevant to private higher education (Berdahl, 1970). Public and private higher education have developed for the most part independently from one another; the former under state auspices, support and planning, and the latter largely following the separate purposes of numerous individual institutions (Education
Commission of the States Task Force on State Policy and Independent Higher Education, 1977). Zumeta (1992, 1996) has identified several measures by which to judge the nature of the relationship between the state and its private institutions of higher education: a) the state governance structure for higher education; b) state student aid policies; c) the amount of direct state appropriations to private institutions for purposes other than student aid; and d) tuition prices at the state's public colleges and universities.

It can be argued that private higher education faces serious threats to its capacity to continue to serve public purposes well, because of three main factors. First, the long period of decline in the numbers of high school graduates, which began around 1980 and started to reverse in the mid-1990's. Second, the rapid increase in the private/public sector price ratio or "tuition gap." Third, the erratic growth in federal student aid funds (Zumeta, 1996). These three trends may be related to the decline in private sector enrollment, which in turn can be linked to the sharp increase in private institution spending on student aid to help stem the exodus of middle-income students. These problems can be ameliorated or exacerbated by public policy.

Zumeta and Green (1987) have constructed a useful description of three different postures state government can assume toward its private institutions: Laissez-faire, in which the state exerts minimal influence over the independent sector; market-competitive, in which the state encourages the institutions to compete for students and funding; and regulatory, in which the state exerts considerable influence over the independent sector. Within these three approaches, state policy can address four different concerns:
1. **Access/Choice Policies**: State student aid policy and funding, and state policies and actions affecting public college and university tuition and fee levels;

2. **Institutional Assistance Policies**: Policies and programs (excluding student aid) by which state funds go directly or indirectly to independent campuses;

3. **State Higher Education Planning and Program Review Policies**: These affect independent institutions' opportunities to play a planned role in the statewide "system" of postsecondary education, the amount of geographic and programmatic competition from public campuses they are subject to, and their involvement in new statewide academic library and computing networks, economic development oriented research and technology initiatives, etc.;

4. **Information Policies**: These encompass state collection of data about private institutions and their students, and also its analysis and dissemination to "consumers" and potential consumers (students, prospective students and their parents).

Similarly, the Education Commission of the States Task Force on State Policy and Independent Higher Education (1977) notes that states have a variety of approaches available to them on how to plan for the private sector:

The state's planning approach to independent institutions should favor one of two alternatives: a student-centered approach, which emphasizes a fair market, or an institution-centered approach, which emphasizes the
development of an efficient network of institutional opportunities. Most states employ an intermediate approach, with some mixture of these two elements. The choice of emphasis should be based upon the state's goals for post-secondary [education], its assessment of the actual and potential contribution made by the independent sector to those goals, its legal structure and its history and traditions of education development. (p. 44)

As state economic resources shrink and the state higher education agenda shifts from concerns about growth and access to concerns about quality and efficiency, the states have been pushed to get more involved in comprehensive ongoing evaluation; specifically, the assessment of institutional quality (Folger & Berdahl, 1987). Assessment became one of the leading concerns in education in the 1980's, sparked primarily by the publication of the National Institutes of Education (NIE) Report, A Nation At Risk (1983), which focused attention on the evaluation of primary and secondary education. In 1984, NIE sponsored another study, Involvement in Learning, which raised the issue of quality at the college and university level. Among other reports, Involvement in Learning pointed to the states, localities and higher education institutions as the major actors in educational reform. State leadership by governors and legislators was a major force pushing for more assessment, and the 1986 report from the governors, Time for Results, spelled out the importance of ongoing assessment to stimulate as well as measure improvement (Folger et al., 1987).

State higher education agencies that are involved in implementing assessments can get caught in the middle between the state's expectations for accountability and the institution's expectation that it should set its own educational standards and procedures.
A state assessment process involves the sensitive area of state-institutional academic relationships. If the state is involved in assessing the academic performance of institutions, institutions fear that it is only a small step for the state to mandate changes in order to remedy weaknesses discovered during the assessment. Institutions worry that the state may then become involved in mandating curriculum changes or inappropriate interference in the teaching and learning processes of the institution (Folger et al., 1987). In many states, the call for accountability has been tied to legislation requiring "performance funding" of universities based on the numbers, or formulated into operating indicators such as required reports on enrollments, program duplication, and faculty workloads - indicators characterized as "naïve" by some critics (Lyall, 1997, p. 12).

Institutions have claimed the freedom to pursue their educational objectives without any political or bureaucratic intrusions from government. This freedom, or institutional autonomy, is important to the university's role in advancing knowledge and teaching without state censorship.

**Institutional Autonomy**

The need for greater institutional autonomy was cited as one main reason for the dissolution of the New Jersey Board and Department of Higher Education in 1994, and many contributors to the literature on statewide coordination have examined the question of how much autonomy institutions can and should retain under the authority of a central state agency. This section looks at definitions of institutional autonomy, state government impact on institutional autonomy, and the seemingly conflicting concepts of autonomy and accountability.
Institutional autonomy has been defined as the right of self-determination and self-governance by independent academic boards without the controls of state government. However, institutional autonomy must exist within the framework of the public purpose for which the institution was created (Brown, 1990; Carnegie Foundation for the Advancement of Teaching, 1982). Volkwein (1986), agreeing with Levy (1980), breaks down the concept of institutional autonomy into the areas of academic autonomy, financial autonomy, and appointive autonomy:

Academic autonomy refers to a campus’ ability to chart its own mission, to offer academic programs compatible with its mission to control its courses of instruction, and to set its own standards for admission and degree requirements. Financial flexibility is possessed by universities which control the preparation and allocation of their budgets, and which are relatively free to manage revenues and expenditures with few external restrictions beyond those associated with post-audit accountability. Appointive powers are those which govern the hiring, promotion, and conditions of employment of personnel. State personnel controls typically restrict the number and type of employees, as well as the salaries they may receive. (Volkwein, 1986, p. 4)

Volkwein and Malik (1997) argue that there are five factors that make up the academic dimension of campus autonomy: campus flexibility regarding programmatic actions, setting standards and policy, degree requirements, restructuring departments, and responding to accountability requirements. Volkwein and Malik also conclude that campus administrative autonomy is reflected in the institution's flexibility in five
administrative areas: managing revenues, setting tuition and fees, classifying and appointing personnel, and budgeting and expending funds.

The tradition of institutional autonomy, along with those of academic freedom and faculty tenure, comprises the central part of the legal history of American higher education. Each of these traditions reflects a common concern with possible intrusions by "outsiders" (e.g., politicians, bureaucrats, business or economic interests, the church) into the internal and essentially academic affairs of the institutions and their faculties (Glenny & Dalglish, 1973, Berdahl & McConnell, 1994). Glenny and Dalglish (1973) also find that institutional autonomy has its antecedents in many areas: the social organization of the Middle Ages, in corporate organizational theory, and in state constitutions.

Glenny and Dalglish (1973) go further to examine the American practice of conferring "constitutional status" on a select number of universities (p. 6). Constitutional status refers to the practice of providing in the state constitution for the vesting of exclusive management and control of the institution in the institutional governing board, presumably to the exclusion of state executive and legislative officials. Such legal status is supposed to contrast sharply with mere "statutory status," which presumably leaves the institution more open to intrusions by politicians and bureaucrats (p. 6). Not surprisingly, Glenny and Dalglish conclude that the flexibility afforded to the institutions, regardless of constitutional status, depends largely upon the circumstances unique to the state:

A constitution is less easily amended than a statute and provides greater stability over time, but it is also less flexible, and both stability and
flexibility are usually thought to be beneficial to an institution... An institution [with statutory status] subject to periodic legislative direction and involvement can be equated with being subsumed by state government, and lacks autonomy. Less often realized is that autonomy can also be reduced by a state constitution which itself may set forth a series of requirements applying to all state agencies and institutions (e.g. with regard to auditing, budgeting, submission of information, location).

Too, the constitution may provide for legislative establishment of the rules and regulations to be exercised in relation to the subject. A supposedly 'constitutionally autonomous' institution may, in these areas, be as controlled as an institution whose status is 'merely statutory.' (p. 145)

In his survey of 49 states Volkwein (1986) found that state variables usually linked to the regulation of institutional autonomy include state appropriations, public college enrollments, tax effort and capacity, population growth and density, the powers of the governor, and the powers and roles of the legislature and the state education board.

Unlike Glenny and Dalglish (1973), Volkwein finds that constitutional autonomy protects the institution from excessive regulation, as well as other factors such as the age of the institution, size, flagship status, medical/hospital facilities, number of doctoral programs, funds from state and non-state sources, the quality of the faculty, and the ability of the student body (Volkwein, 1986).

Conflicts over authority between universities and their state legislatures may be inevitable as the two social institutions perform functions essential to each other, yet have differing values, interests and perspectives (Zusman, 1986). As early as 1959, Moos and
Rourke warned that state controls "represent a grave threat to the tradition of the free
college or university in America" (p. 3), and that "a tightly coordinated system of higher
education can leach quality and originality out of state colleges and universities" (p. 226).
In 1966, Samuel B. Gould, president of the State University of New York also warned
that institutions must be vigilant in their defense of their independence:

The erosion of the independence of a university can begin in what may
seem rather trivial specifics at the moment of their occurrence. The heart
of the matter, therefore, is our readiness to recognize and defend the
portion of our institutional life and development which is not within the
bailiwick of anyone else to prescribe or control or even touch. Any
evaluation of state government-university relationships should start with
an examination of how well and in what formal terms the protection of this
portion of institutional life is provided. If we have fears, and most of us
do, they center upon this point. (as cited in Minter, 1966, p. 2)

Glenny (1970) disagrees and argues that institutional protests that the state
coordinating board poses a threat to autonomy barely disguise institutional ambition
regarding control of the state's higher education market:

It is no secret in higher educational circles that the long delay in the
development of public colleges and universities in such states as New
York, Pennsylvania and New Jersey (as well as others) was the result of
intensive opposition by the nonpublic institutions. The opposition
continued long after it was apparent that great numbers of young people in
those states were being deprived of educational opportunity. Setting the
high costs associated with attending the colleges and determining the
selectivity measures in admissions were exercises in autonomy. So was
the plea to go slow in developing public institutions. Whose interests were
served? Should statewide planning infringe on that kind of autonomy? Is
this unwarranted substantive intervention by coordinating boards? The
problem is not resolved in many states where the nonpublic institutions
continue to oppose the opening of new public campuses. Whose interests
are to be served when the public need is not coterminous with an
institutional interest?...Must the statewide board delicately step aside
while the state universities in Illinois, Wisconsin, Pennsylvania and other
states claim 'to be all things to all men' when the evidence clearly indicates
that they are highly selective in admissions, cater to families well above
median state income levels and create branches in their own image? If so,
whose autonomy and choice is sacrificed to protect the autonomy of
existing institutions?

All collegiate leaders plead for preservation of that happy diversity
of colleges and universities with which the nation is blessed. They express
alarm at the possible laying on the dead hand of uniformity by statewide
boards. Yet, attempts by such boards to create new types of institutions
appealing to a different segment of youth and meeting newly recognized
social needs are often opposed by these same leaders. (p. 3-4)

Although the higher education community has not tended to be particularly
sanguine about the exercise of authority over the institutions by officials outside of
education, and is commonly adverse to the presence of “politics in education,”
institutions generally concede that the state should assume leadership in planning, and
tend to look to the state for broad policy but wish to reserve to themselves the right to
oversee implementation. Thus, institutions preserve the substantive autonomy with
which to decide the degree of state interference they are willing to accept (Berdahl, 1971;
Earl, 1981). Berdahl (1990b) argues that a state which carefully honors academic
freedom and takes steps to avoid intrusion into institutions' procedural autonomy may
still be capable of harming its system of higher education by exercising an inappropriate
level of control over institutions' substantive autonomy (Berdahl, 1990b). Therefore, the
state needs to utilize the coordinating agency as a “suitably sensitive mechanism” (p. 170)
through which the state might exercise a legitimate partnership role in the substantive
autonomy of institutions.

Berdahl (1990b) further contends that the inherent tension between the institution
and the state stems from the fact that universities are unique in social function.
Universities have come to need the autonomy to conduct research freely yet they are
expected to be accountable to the state and to the public. A balance must be struck
between the two extremes because “too much autonomy might lead to universities
unresponsive to society; too much accountability might destroy the necessary academic
ethos” (p. 171).

Changes in the political process on the state level also have an impact on
institutional autonomy. In the past, the major influence on legislators' voting patterns was
the political party organization, which had acted as patron to the legislators, their caucus
leaders, and their constituents. Today, legislators' major tension is between pleasing their
constituents and pleasing their legislative leaders who control access to campaign finances as well as to committee appointments. Legislators follow constituents' demands because they seek the favorable opinion of those who control their re-election. Further, legislators tend to view universities as clients, who provide specific services. When the desires of patrons (constituents) conflict with the desires of clients (universities), voters' opinions will outweigh the preservation of university autonomy in the minds of the legislators. Helping their clients by not enacting restrictive legislation that limits their autonomy will depend on the legislators' relationship to their own patrons, namely constituents and caucus leaders (Sabloff, 1997).

Even though Berdahl (1990a) concludes that coordination seems to provide the most suitable process by which the state and institutions can interact, he and Glenney (1971) both point out that the structure, functions, membership and staffing of the agency become the keys to how well the balance between autonomy and accountability can be maintained. However, as Hartle (1994) notes, public perception of adequate (or inadequate) regulatory oversight can help promote increased regulation of higher education:

A relatively small number of well-publicized student qid, athletics, academic research, and vocational education abuses have created “problems” that policy makers are anxious to address. In addition, many policy makers believe that the self-regulation of academic quality through accreditation does not necessarily protect the public interest. In an era of stable or declining enrollments, they fear that some institutions are
concerned more with filling empty seats than with educating the students who occupy those seats. (p. 55)

In attempting to develop a theoretical model by which institutional autonomy may be measured, Hines (1988) proposes that key factors (rather than organizations or conditions) exist along a continuum according to their association with either institutional accountability or autonomy. In Hines' model, conditions of maximum accountability are at one end of the spectrum, under which governors and legislators exercise great influence over public higher education; and conditions of maximum autonomy are at the other, under which campus executives exercise great influence over the system. Between these two extremes, Hines places executive officers of coordinating boards closest to the governors/legislators, then heads of governing boards, then heads of non-statewide multicampus systems, then executives of autonomous individual campuses.

The Scope of Agency Powers

This section describes the state practice of planning for higher education, the different types of agencies that coordinate for higher education, and how the state can have an impact on higher education through its coordinating agency.

Marcus (1997) observes that, since their establishment, state-level boards have not had a tranquil existence irrespective of whether they were created to govern or to coordinate; their boundary function has often made them the focus of conflict. Legislatures want state boards to ensure that the public interest checks the ambition of the institutions, influences institutional direction, and insulates legislators from
interinstitutional bickering. At the same time, institutions expect state boards to advocate increased funding and "keep the politicians outside of the ivy-covered walls" (p. 403).

The essential concept that gives the coordinating agency the right to much of its powers is that of the state's prerogative to create master plans for all of higher education. The term planning generally refers to long-range planning, which can define the institutional role and scope missions within which program formulations must occur, and for which budgets must be designed and policy must be created (Berdahl, 1971).

Several state objectives may manifest themselves when the state constructs a master plan for higher education. According to McGuiness (1986), the state generally seeks to: a) establish a strong tie between higher education and the state's economy; b) match the way higher education is organized and delivered to the changing educational needs of the state and its people; c) forge a connection between the quality of higher education and the quality of the public schools; and d) ensure that the state's higher education system does not become overextended, or take steps to contain an overextended system.

Planning became a priority during the 1960's and 1970's, when the growth of the higher education enterprise in general and the community college sector in particular led to the proliferation of programs and inter-institutional conflicts over students and funds. The major concerns of planning were the promotion of orderly growth and institutional diversity in order to accommodate the increasing numbers and the more heterogeneous nature of campus students, and different states answered these questions in different ways (Berdahl, 1990b). However, governors and legislatures can sometimes hold ambivalent,
even contradictory, views on higher education's need for autonomy and independent
governance and their own needs for control and oversight of fiscal and, increasingly,
academic matters (Novak, 1996).

Novak (1996) also observes that lawmakers may express support for autonomy
and academic freedom, honoring the authority of institutions to set course and degree
requirements, yet demand that senior universities develop full articulation and transfer
agreements with two-year colleges (p. 39). The Arizona Board of Regents voted
unanimously in 1995 to lower the number of credits required to graduate from the state's
three public universities, in an attempt to address the problem of excessive time to degree.
University administrators expressed concern that the ruling represented a shift discretion
over academic programs from the universities to the Board of Regents (Zapler, 1995). In
1997, Alabama, Arizona, Connecticut, Florida, Ohio and Texas tried to accommodate
transfer students by mandating that public colleges accept credits earned elsewhere.
These states required every public college to offer an undergraduate core curriculum that
can be automatically transferred to any other public institution in the state. The long term
goal was to re-design the delivery of higher education, with two-year colleges assuming
an expanded role in providing remediation and general education credits to those who
plan to continue their education elsewhere. Again, university officials resist these
statewide efforts to force changes in their transfer policies, arguing that such mandates
infringe on their autonomy and undermine the value of the degrees conferred by their
institutions (Schmidt, 1997).
Glenny (1985) notes that the specific implementation of statewide coordination structures varies among states. He classifies coordinating agencies according to two distinct types:

1. A single statewide governing board for all public colleges and universities (eliminating all individual institutional boards) and

2. A coordinating board juxtaposed between the governor/legislature and the institutional governing boards that embraces all of higher education, public and private (p. 7)

Callan (1991) notes that the consolidated board, as a single entity, is legally accountable for the enterprise, whereas the coordinating board represents decentralization and a reliance on checks and balances rather than a single line of accountability (p. 7). Glenny (1985) ascribes certain powers to the single statewide governing board that define it as such. The governing board is the most powerful example of centralization of public higher education. In some cases, campus presidents report directly to the chief executive officer of the governing board. Furthermore, statewide governing boards (not campus administrators) initiate new programs, services, and campuses; hire or fire campus presidents, set tuition and admissions standards, establish personnel policies, and develop budgets for each campus in the system.

Similarly, Glenny (1985) defines coordinating boards by the powers granted them. He characterizes regulatory coordinating boards as having the authority to conduct system planning, policy analysis, program review, and budget reviews and/or recommendations to the legislature. Advisory coordinating boards are also empowered to conduct system
planning, policy analysis, and program review, but are defined as advisory only by their lack of authority to oversee institutional budgets (Glenny, 1985).

As Glenny (1971b) also remarks, coordinating boards can provide a vehicle by which both the public interest of the state and those of the academy can be considered and acted upon:

The board operates in a kind of no-man’s-land between higher education and the state government. Its effectiveness depends on maintaining the confidence of both. If the board is consistently dominated by, or is thought to be dominated by, the higher educators (as governing boards traditionally are), it loses credibility in the state capitol. Conversely, if the board consistently acts merely, or is thought to act merely, as an arm of state government, the institutions lose their cooperative spirit. Even though a board may find it virtually impossible to maintain a perfect equilibrium between these two forces, balance should be the goal. The board membership, the staff, the powers and the advisory networks, should all reflect this dual obligation. (p. 5)

Berdahl (1990a) argues that, in terms of state regulation of higher education, states are given a choice between consolidated governance through a statewide governing board, voluntary institutional cooperation with very little state input, and coordination through an intermediary coordinating board. He maintains that coordination is the “least undesirable” means of reconciling the legitimate perspectives of both academe and government (p. 39).
In 1971 Berdahl conducted a then-current analysis of every state’s coordinating system. Berdahl’s study remains one of the most comprehensive models of statewide coordination of higher education found in the literature. According to Berdahl, each state employs one of the following four basic categories of statewide coordinating bodies, based on the degree of centralized authority they exercise over all four-year public institutions in the state in four areas: planning, program review, budget review, and the agency’s role as negotiator between the institutions and the state (Berdahl, 1971):

1. **No State Agency:** States which have neither a single coordinating agency created by statute nor a voluntary association performing a significant statewide coordinating function.

2. **Voluntary Association:** States in which voluntary statewide coordination is performed by the institutions themselves operating with some degree of formality.

3. **Coordinating Boards:** States which have a statewide coordinating board created by statute but not superseding institutional or segmental governing boards. This category is divided into the following subtypes:
   
   a. A board composed in the majority of institutional representatives (defined below) and having essentially advisory powers.

   b. A board composed entirely or in the majority of public members (defined below) and having essentially advisory powers.
A board composed entirely or in the majority of public members and having regulatory powers in certain areas without, however, having governing responsibility for the institutions under its jurisdiction.

IV Consolidated Governing Board: States which have a single governing board, whether functioning as the governing body for the only public senior institution in the state or as a consolidated governing board for multiple institutions, with no local or segmental governing bodies.

As indicated within his categories, Berdahl (1971) identifies two different types of state board membership: public members and institutional representatives. Public members are defined as those individuals appointed to the board by the governor to represent the general public, such as business executives. Institutional representatives are defined as board members with an official connection to a university or college in the state. According to Berdahl, the powers of voluntary associations are advisory, and those of governing boards are regulatory. The powers of coordinating boards are difficult to determine because there is a confusing array of arrangements in the 50 states, complicated by two main factors. First, board authority extends over a wide array of functions and the capacity of the board may be advisory in some areas and regulatory in others. Second, discrepancies may exist between what the board is legally empowered to do and the actual exercise of power. Also, the de facto exercise of power may change according to changing conditions in state government and/or in the institutions.
By taking note of types of board membership and conditions of de facto control, Berdahl (1971) indirectly addresses the context and unique circumstances within which each type of coordinating body operates. Berdahl’s model can be adapted to describe current conditions of higher education coordination in any state, provided the researcher can obtain information about the membership of the state board in question. Without an understanding of the representation on the board, it is impossible to accurately classify a state within the model.

The most useful feature of Berdahl’s model is its sensitivity to trends. The model can be used to examine the development of statewide coordination for a given state, as well as to provide a picture of higher education coordination in the United States for a given year. Furthermore, Berdahl’s model can be applied selectively to individual states for the purpose of the identification of trends, as is intended in this study.

Berdahl (1980) expands the concept of his categorization of higher education coordination to include the classification of 1202 commissions, created by the Federal Higher Education Amendments Act of 1972, which authorized states to designate a new or existing agency as the state planning commission for postsecondary education. Berdahl revises his original classifications to reflect state compliance with the 1972 federal legislation:

1. No statewide coordinating board (1202 only)
2a. Consolidated board (acting as 1202)
2b. Consolidated board (with separate 1202)
2c. Consolidated board (with no 1202)
3a. Advisory coordinating board (acting as 1202)
3b. Advisory coordinating board (with separate 1202)
3c. Advisory coordinating board (with no 1202)
4a. Regulatory coordinating board (acting as 1202)
4b. Regulatory coordinating board (with separate 1202)
4c. Regulatory coordinating board (with no 1202)

Depending on the political climate, coordinating agencies usually devise master plans based on the recommendations of either a group of out-of-state consultants, an in-state agency or ad hoc commission, or a commission which employs both in-state and out-of-state personnel (Berdahl, 1971). State initiatives to improve quality in undergraduate education include the reworking of compensatory education policies, admission standards, articulation agreements, assessment, and testing, as well as strategies for the realignment of resource allocation and faculty improvement (Berdahl, 1987).

Most state master plans for higher education are written in sweeping language that leave the details to the coordinating agency, but there is often some type of disconnect between state objectives and institutional compliance if the coordination agency has little power of enforcement. Consolidated governing boards and coordinating boards with regulatory powers usually have the budgetary authority with which to enforce policy, but voluntary associations and coordinating boards with advisory powers usually have no such recourse. Under such circumstances, institutions can (and do) ignore unpopular mandates.

Holland and Berdahl (1990) conclude that state government can transplant policy objectives into institutional practice more effectively through the mechanism of incentive
funding. Holland and Berdahl found that, depending on the state’s philosophy of allocation, state use of incentive funding tends to fall into three categories:
a) institutional parity; b) institutional selectivity, or c) some combination of the two.

Within each philosophy of allocation, the state may employ three main types of funding programs in order to lead the institutions to pursue state objectives for higher education:

1. **Categorical programs** are legislatively earmarked funds for specific purposes. All eligible institutions meeting application requirements receive funds.

2. **Competitive programs** operate as grant programs. Institutions submit proposals and compete for funds according to program criteria.

3. **Incentive programs** offer matching funds or special funds in return for demonstrating progress or achieving a specific goal.

Holland and Berdahl (1990) found the majority of state funding programs to be competitive to reward and encourage “excellence and institutional differentiation” (p. 5).

The academic program review process is another means by which the state can preserve the quality and responsiveness of higher education while budgets shrink (Barak & Berdahl, 1978). Barak and Berdahl (1978) identify seven factors commonly included for new program review in most states: 1) program description; 2) purposes and objectives; 3) need analysis; 4) cost analysis; 5) resource analysis; 6) program accreditation and 7) availability of adequate student financial aid. The specifics of each criterion vary by state. Review of existing programs will also vary by state, but typically
the most common reasons a state will review existing programs are some combination of the following:

1. **Financial** - to cut back on expenditures. One state estimated it saved $1.5 million on its review of existing programs.

2. **Efficiency** - to enable more effective utilization of existing resources.

3. **Accountability** - to assure that institutions are effectively meeting state goals.

4. **Quality** - to upgrade the overall quality of programs by eliminating low quality programs and reallocating the resources to improve others.

5. **Consumer Protection** - to protect students from programs of questionable value by establishing minimum levels of quality.

6. **Political** - to demonstrate the clout the agency has over higher education.

The coordinating agency's program review function has the potential to create accountability and can be used by campus leaders to deflect some of the criticism for difficult decisions such as the closing of programs (Callan & Jonsen, 1987).

Brown (1990) and Novak (1993) observe that there is a gradual reversal of the trend toward the statewide consolidation of institutions, which they attribute to the political movement toward decentralization at all levels of government begun in the 1980's. States now turn to measures of assessment and accountability when creating
long-range plans and budgetary allocations. Berdahl (1980) speculates that states may have begun to shift towards building accountability into the system of state expenditures by the implementation of both Legislative Program Evaluation (LPE) and sunset legislation. According to the terms of sunset legislation, targeted state agencies are to be terminated by a certain time if not explicitly renewed after an evaluation of their performance (French & Berdahl, 1980). This type of oversight used to exclude higher education but had ceased doing so by the time of Berdahl's (1978) writing:

The LPE staff wants to know the answers to some very stark questions:
What are your purposes? How do they jibe with legislative intent? To what extent is your agency doing what the legislature meant for you to do?
How good is it? Could it be improved? … The Legislative Program Evaluation movement and sunset legislation lead one to believe that the people in the state capitol are no longer going to be content merely to evaluate inputs... Evaluators will come around to the exit door and will ask how good institutions are at what they are doing. This trend is reinforced by the demand for minimum competency in elementary-secondary education (p. 25).

In early 1992 the State Higher Education Executive Officers (SHEEO) conducted a survey of state higher education agencies and system governing boards to determine the perceptions of these agencies about the most important issues and priorities facing higher education. Those issues that received roughly the same percentage of "very important" responses are:
1. Adequacy of overall state financial support

2. Quality of undergraduate education

3. Minority student access and achievement; effectiveness and accountability

4. Teacher education and preparation; tuition rates and overall costs

5. Faculty workload and productivity; workforce training and education

6. Review of institutional roles and missions

7. Linkages between secondary and postsecondary education; amounts and types of student financial aid adequacy and maintenance of physical facilities

8. Support for research, graduate education and economic development

9. State roles in addressing faculty needs and issues (McGuinness, 1994, as cited in Altbach, Berdahl & Gumport, 1994)

When asked to identify the most important issues other than financing, the boards most frequently responded as follows:

1. Public perceptions; accountability; effectiveness; efficiency; and productivity

2. Quality of undergraduate education; access issues

3. Faculty issues - workload, commitment to teaching

4. Developing/implementing differentiated institutional missions
5. General planning and coordination issues; governance; collaboration among education sectors; articulation and transfer issues

6. Minority issues

7. Admissions standards or related issue; workforce issues

(McGuinness, 1994, as cited in Altman, et al., 1994)

McGuinness finds that these responses illustrate the extent to which issues of financing, quality and equity are linked. In the 1990's coordinating agencies have shifted their agendas from an emphasis on means (quantity and adequacy of resources) toward basic questions of ends - what students should know and be able to do, and what public purposes are to be served by the enterprise (McGuinness, 1994, as cited in Altman, et al., 1994).

Summary

The ties between institutions of higher education and the states in which they operate are complex, impacted largely by the nature of higher education itself. Institutions' licensing and financial dependence on the state, which drives regulatory issues, can and do conflict with the principles of academic freedom, which drive institutional autonomy issues. Private institutions, usually dependent on the state for a portion of their income as well, face somewhat different but equally pressing tensions in their relationship with state government. By creating a statewide coordinating agency, states attempt to maintain control over the distribution of resources without direct interference into academic inquiry. The scope and type of authority the state invests in
the coordinating body can indicate to what extent the state wishes to influence the
delivery of higher education.

This chapter of the study has identified the issues that comprise the main themes
present in the literature concerning higher education coordination: the nature of higher
education coordination, the limits of institutional autonomy under the state coordinating
agency, and the scope of agency powers. Chapter 3 describes the method used by the
researcher to tie an examination of higher education coordination in New Jersey to those
main themes.
CHAPTER III
Methodology

Introduction

This section describes the methods of inquiry employed in this study; specifically, the conceptual framework in use, the interview procedure, and the interview protocol. It is intended here to build upon the research methods used by Berdahl in his 1971 study. Essentially, Berdahl conducted 50 case studies and synthesized the information into his national study; therefore the conceptual framework in use must include an understanding of the qualitative method and of the case study.

Conceptual Framework

From this study we hope to gain an understanding of the events in New Jersey higher education coordination that led up to the restructuring of 1994. To document the changes in New Jersey, the author used the multiple methods of interview, observation, and the examination of documents and literature. The intention was for the interview to be an integral tool of research, supporting the historical analysis to provide supplemental information about the events of 1994. The interviews were intended to present the perceptions of the individuals who witnessed the dismantling of the Board and Department of Higher Education, and, together with the historical analysis, provide a
more complete examination of the educational and political processes surrounding New Jersey higher education coordination. The research can therefore be classified as qualitative rather than quantitative because the answers to the research questions posed in Chapter I was sought primarily by open-ended interviews, direct observation, and the examination of written documents, a methodology which Patton (1990) contends is the very essence of qualitative inquiry:

The data from interviews consist of direct quotations from people about their experiences, opinions, feelings and knowledge. The data from observations consist of detailed descriptions of people's activities, behaviors, actions, and the full range of interpersonal interactions and organizational processes that are part of observable human experience. Document analysis in qualitative inquiry yields excerpts, quotations or entire passages from organizational clinical, or program records; memoranda and correspondence; official publications and reports; personal diaries; and open-ended written responses to questionnaires and surveys. (p. 10)

A qualitative approach may incorporate some tools associated with quantitative inquiry such as survey instruments, but a qualitative study, based mainly on fieldwork, is oriented toward exploration, discovery and induction. The researcher attempts to make sense of the situation without imposing pre-existing expectations on the phenomenon under study. Inductive analysis begins with specific observations (i.e., New Jersey has restructured its system of higher education coordination) and builds toward general
patterns as the researcher comes to understand conditions that exist in the empirical world under study (Patton, 1990).

Since the study seeks to discover the possible cause-and-effect relationships in effect that brought about the 1994 restructuring of New Jersey's higher education coordination, the study also takes an ex post facto approach, described by Cohen and Manion (1994) as one which concerns itself mainly with such cause-and-effect relationships:

[Ex post facto researchers begin] by observing an existing condition or state of affairs and searching back in time for plausible causal factors. In effect, researchers ask themselves what factors seem to be associated with certain occurrences, or conditions, or aspects of behavior. Ex post facto research, then, is a method of teasing out possible antecedents of events that have happened and cannot, therefore, be engineered or manipulated by the investigator (p. 146).

In describing the different types of purposes that can drive research, Patton (1990) lists five main categories of research: (a) basic research, to contribute to fundamental knowledge and theory; (b) applied research, to illuminate a societal concern; (c) summative evaluation, to determine program effectiveness; (d) formative evaluation, to improve a program; and (e) action research, to solve a specific problem. According to Patton's (1990) typology:

The purpose of basic research is knowledge for the sake of knowledge. Researchers engaged in basic research want to understand how the world operates. They are interested in investigating a phenomenon in order to
get at the nature of reality with regard to that phenomenon. The basic researcher’s purpose is to understand and explain. (p. 152).

This study would appear to qualify as basic research in that the purpose of this study is to describe and understand higher education coordination in New Jersey. Since the study treats the evolution of higher education in New Jersey from 1970 to 1999 as a single phenomenon, the most useful method of analysis is the descriptive case study. Yin (1989) defines the case study as:

an empirical inquiry that investigates a contemporary phenomenon within its real life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. (p. 23)

Similarly, Stake (1988) quotes Smith’s definition of the case study as the study of a bounded system. Smith finds that “the crux of the definition is having some conception of the unity or totality of a system with some kind of outlines or boundaries” (1988, as cited in Stake, p. 255).

According to Cohen and Manion (1994), the case study permits the researcher to observe the characteristics of an individual unit - in this case, New Jersey higher education coordination in a specific time period - in order to understand and possibly establish generalizations about the wider population to which the unit belongs, which is national higher education coordination development in the same time period. Also, the case study permits recognition of the complexity and “embeddedness” of social truths by representing something of the discrepancies and conflicts between the viewpoints of the participants (Adelman et. al., 1980, as cited in Cohen et al., 1994). From this study it
may be possible to draw conclusions about how New Jersey's state government and higher education institutions responded to these changes.

**Interview Procedure**

Following Berdahl (1971), the author intended to interview members of the state government, the coordinating agency, and the institutions, and attempted to include as many of the following as possible: the chairperson or members of the New Jersey Commission on Higher Education, the chairperson or members of the Association of Independent Colleges and Universities in New Jersey, the chairperson or members of the New Jersey State College Governing Boards Association, the chairperson or members of the New Jersey Council of County Colleges, state budget officers, and former chancellors or staff of the dismantled Board and Department of Higher Education. The interviewer anticipated that this variety of individuals would provide insight regarding the workings of the state higher education coordination from various sector perspectives as well as from current and historical perspectives to help build as complete a picture as possible of what happened during restructuring.

Patton (1990) describes the purpose of interviewing as an attempt to find out what is in and on someone else’s mind. Since we cannot observe behaviors that took place at some previous point in time, we interview people to find out from them those things we cannot directly observe. The purpose of the interview approach used in the study, the standard open-ended interview, is to avoid suggesting to the respondent the researcher’s preconceived categories for organizing the world, and to access the perspective of the person being interviewed.
The informal conversational interview, while valuable in terms of the kind of data to be gathered, was rejected as too cumbersome considering the relatively large number of participants to be interviewed. The open-ended interview was considered to be appropriate because the researcher needed to obtain, compare and analyze data that were systematic and thorough for each respondent (Patton, 1990).

The Pilot Study

The interview protocol was developed by the author and was piloted with four participants: two higher education administrators and two faculty members. The administrators were both from the private sector and both had experience in dealing with New Jersey’s Board and Department of Higher Education; one as a business school dean and the other as a vice president of the institution with responsibility for enrollment management and marketing communication. The faculty members both had extensive experience in interview research methods; one was a professor emeritus at a private institution and the other a sociologist at a state university. As a result of piloting, the protocol underwent several changes. More background and follow-up questions were included, as well as more questions aimed at getting the respondents’ reactions to New Jersey’s changes in statewide coordination. Also, the piloting group recommended several changes in phrasing in order to make the meanings of some of the interview questions as clear as possible.
Collection and Treatment of Data

In order to comply with Institutional Review Board (IRB) regulations governing human subjects research, the author created an identification code for each respondent, institution and agency to protect the anonymity of the interview participants. After ensuring that the interview protocol and methods were in full compliance with IRB requirements, the researcher contacted interview participants. Where possible, the interviews were taped; however, some respondents preferred to be paraphrased, in which case the researcher took notes. In each case the researcher transcribed the interview and sent the transcript to the respondent for verification of accuracy. The researcher chose not to use interview data from two cases. In the first instance, the tape recorder malfunctioned during the interview and very little data were retrieved, but the agency represented by the respondent employed many other possible interview subjects, so the loss of this interview did not appear to diminish the inclusion of the perspectives of people working in this particular agency. In the second instance, the respondent unexpectedly turned out to have very little information to share, because the agency represented had undergone practically no changes as a result of the higher education coordination restructuring under study.

Summary

Since the interview questions focused on perceptions surrounding the restructuring, and did not elicit from the respondents a clear picture of the historical background of the Board and Department of Higher Education, respondents familiar with the work of the Board and Department of Higher Education tended to discuss the Board
in abstract terms such as their level of authority and place in state government.

Therefore, in order to establish a background in which to place the interview subjects' views on restructuring, the researcher chose a combined approach of historical analysis and interview data to help furnish a more integrated picture of the causes and forces that drove change in New Jersey higher education in the period under study. The following chapter discusses the political and historical developments that led to the founding of the Board and Department of Higher Education, as well as their functions until 1994, thereby providing a context within which to place the interview data.
CHAPTER IV

Historical Context: Politics, Education and the

Board and Department of Higher Education in New Jersey

Introduction

This chapter looks at the historical context in which New Jersey higher education functions, the forces at work in establishing the Department of Higher Education and at how the Board and Department of Higher Education functioned from their inception through the restructuring of 1994. The combination of historical analysis and interview data is useful in this study because, as the interview questionnaire took shape, the author found it necessary to examine the background of the Board and Department of Higher Education for context within which to frame the interview data. This combined approach to research is most common in the field of the history of education (Bennett, 1998, Chawrzczewski, 1998; Cobb-Roberts, 1998; Giesecke, 1998; Larrivee, 1998; Moore, 1998; Person, 1998; Stephens, 1998). The combination of historical analysis and interview research helps provide a more complete understanding of the phenomenon under study.
Historical Context

Contributors to the literature on New Jersey's political history note that the impact of the state's colonial times and traditions can still be seen in its modern politics and policymaking (Lockard, 1964; Schmidt, 1964; Fleming, 1984; Salmore & Salmore, 1993; Rosenthal & Blydenburgh, 1975). Parochialism and the persistence of local over state interests may be one of the strongest colonial influences at work in New Jersey higher education, and the tensions between local or institutional control over higher education and state direction can be seen to be at the heart of the circumstances surrounding both the founding and the dismantling of the Board and Department of Higher Education.

The original land grant from King Charles II of England to his brother James, the duke of York, consisted of "all of the land between the Connecticut and Delaware Rivers" (Fleming, 1984, p. 6) and was already sparsely populated by Dutch colonists. In 1676, only twelve years after designation as an English royal province, this region was split into East Jersey and West Jersey each with separate capitals at Perth Amboy and Burlington (Fleming, 1984). By the early eighteenth century there were Dutch settlements in Bergen and Middlesex, Scots in Perth Amboy and Freehold, Germans in Hunterdon, Quakers along the Delaware River, Presbyterians and Dutch Reformed in the central part of the state, and Puritans from Connecticut in the Northeast who founded Newark (Salmore et al., 1993).

Apart from this balkanization along ethnic and religious lines, public antagonism in New Jersey toward the governor's efforts to carry out royal and parliamentary power led to the widespread belief from the mid-1660's to the American Revolution that the governorship itself was not to be trusted (Lockard, 1964). Accordingly, New Jersey's
education policy is shaped in a tradition of political and cultural fragmentation that can be described as a marketplace. Government is instituted for strictly utilitarian reasons, to handle those functions demanded by the people it is created to serve, with a minimum of intrusion into private interests and concerns (Salmore et al., 1993).

As the functions demanded of state government became more complex, and as mass-based political activity expanded throughout the eighteenth and nineteenth centuries, New Jersey governors gradually came to exercise certain kinds of power informally which subsequent constitutional changes formally endorsed. Thus the 1776 state constitution created a governor in the mold of the actually weak (although formally strong) royal governor; the 1844 constitution formally gave the governor appointment and other powers that the party-leader governors had informally acquired, and the 1947 constitution endorsed and expanded chief-executive control over the bureaucracy which had been expanding for decades (Lockard, 1964). The 1947 state Constitution, the first in the U.S. to be structured around 20th century managerial ideas, made possible the development of strong central authority (Salmore et al., 1993).

In terms of higher education, this traditional mistrust of central authority combined with stark lines of social demarcation led to the founding of two colonial colleges in New Jersey: the Presbyterian College of New Jersey (now Princeton) in 1746 and the Dutch Reformed Queen's College (now Rutgers) in 1766. This dual experiment in higher education was undertaken "[not because] Jerseymen were intellectually superior to their fellow-Americans...[but because of] the religious, national and social stratification of this middle colony, trying to maintain its identity between its two large neighbors, New York and Pennsylvania" (Schmidt, 1964, p. 1).
The Development of Higher Education in New Jersey

In New Jersey, as in the rest of the colonies, higher education was for those destined for the learned professions such as law, government, academe, and the ministry, and for the sons of the relatively small section of the population that could afford to go, both in terms of tuition and foregone wages (Lynch, 1970). Prior to 1966, public higher education in New Jersey consisted primarily of the offerings at Rutgers University and the Newark College of Engineering (later the New Jersey Institute of Technology), both highly selective schools, and teacher training conducted at the six state normal schools at Newark, Trenton, Glassboro, Jersey City, Paterson, and Montclair which was regarded as an adjunct to elementary and secondary education (League of Women Voters, 1960).

During the junior college movement at the turn of the 20th century, New Jersey taxpayers were unwilling to establish a “poor man’s college” by funding a public junior college. As a result, the first attempt at a public junior college, the Newark Junior College, founded in 1918, closed after four years. Private junior colleges had more success, in keeping with the public attitude that access to college should be reserved for those who could afford the schools. (Lynch, 1970)

The Great Depression brought federal funds to New Jersey and the social pragmatism of the time helped to spur the junior college movement in the state. Using federal Emergency Relief Funds, the New Jersey legislature created junior colleges in Morris, Essex, Middlesex, and Union counties. However, a 1936 Assembly bill to create junior colleges in every county in New Jersey failed to get out of committee. Junior colleges did not gain general acceptance in New Jersey until 1946, when the state legislature authorized local boards of education to organize public education through the
fourteenth grade as municipal two-year colleges. New Jersey taxpayers accepted the measure in part because the districts were permitted to charge tuition, thereby avoiding the use of state funds while providing colleges for those who could afford to go (Lynch, 1970). During the rest of the post-World War II era, New Jersey was highly urbanized and relatively affluent. The idea of the accessibility and affordability of college as represented by the two-year institutions still failed to gain popularity, since New Jersey residents perceived little need.

New Jersey's strong anti-tax sentiment and localist tradition combined with a thriving private sector made possible an unusually high level of state control over public higher education. Although New Jersey residents' income level ranked fifth in the U.S. in 1965, the state spent $2.06 per capita on public higher education. In contrast, Utah spent $11.68 per capita and California spent $10.00. As a result, New Jersey's institutions of higher education served only 55% of the state's high school graduates (New Jersey Department of Higher Education, 1990). The number of students compelled to leave the state for a college education was so great that many states imposed quotas on the number of New Jersey students they would admit (Prabhu, 1994). A 1960 state Board of Education study finally addressed the issue of increased demand and student outmigration and provided a major impetus to the junior college movement by making the following recommendations:

If public two-year colleges were available, thousands of New Jersey youth would pursue programs of study that would equip them to contribute more fully to society and to fill positions in which there presently exists a serious shortage of personnel.
New Jersey should plan the establishment of public two-year colleges immediately; they should be known as "County Colleges" and be established through local initiative; funds for capital outlay should be provided by both the state and the county; funds for operation should be provided by the state, the county, and the students. (Lynch, 1970)

The Strayer Report (Strayer & Kelley, 1962) further recommended that the structure of higher education must be considered as incomplete until these institutions were added. This led to the creation of county colleges in Ocean, Atlantic, Middlesex, and Cumberland counties (Lynch, 1970).

In terms of the administration of these new colleges, it made sense to simply expand the authority of the existing Board and Commissioner of Education, given the limited fields of study offered in New Jersey. The public's conservative approach to state government undertakings led to the consolidation of the Board of Education's dominance over higher education (New Jersey Department of Higher Education, 1990).

State Government Oversight of Higher Education in New Jersey

New Jersey's college and university leaders, both public and private, operated with relatively little state supervision until 1945, when the state established the Department of Education. As the U.S. Constitution does not mention authority over the educational system, the Tenth Amendment reserves the rights of the states over any institution not directly stated as federal domain. Most states, including New Jersey, have a hierarchy of government similar to that of the federal government: the executive branch, the legislative branch, and the judicial branch. The governor usually depends on
a group of advisors and consultants to report on educational matters, and state legislatures have created a state education agency consisting of a state board of education, chief state officers, and a state department of education (Acocella, 1996).

Although the role of the state departments of education varies among states, their initial and primary function was to collect and distribute statistics about the status of education within the state. However, the post-war era introduced challenges and needs that caused state departments of education to expand these functions to include accrediting schools, certifying teachers, apportioning funds, overseeing student transportation and safety, monitoring state regulations, conducting research, evaluating programs and issuing reports, and ensuring compliance with federal regulations among federally funded programs (Acocella, 1996, Banks Campbell, 1990). As a general rule, more populous states with more local school districts, such as New Jersey, have a higher degree of centralization than do less populous states (Acocella, 1996). New Jersey's educational governance system was highly centralized under the Board and Department of Education, when the Board and Department of Higher Education were established in 1966 as a separate body.

**The Board of Education**

New Jersey's Board and Commissioner of Education arrangement was unique in the United States in that it was the office of the Commissioner, rather than the Board, which exerted most of the control over the schools in the state. The Board of Education functioned only as an advisory body to the Commissioner. Until 1966, educational administration at all levels in New Jersey was carried out under the supervision of a
single Board and Commissioner of Education (Rosenthal et al., 1975). State education commissioners came from the local educational establishment and exercised broad power over all of public education. Commissioners approved curricula for elementary and secondary education, certified teachers, appointed county superintendents, college administrators and faculty, and approved promotion and tenure awards at the state colleges (League of Women Voters, 1963; Rosenthal et al., 1975, Salmore et al., 1993). Although not specified within the law, the Commissioner also formulated and submitted budgets for the teachers’ colleges, subject to approval by the Board of Education (League of Women Voters, 1963). The table of organization of the Board of Education is shown in Figure 1.
Figure 1. The Structure of the New Jersey State Department of Education. Source: League of Women Voters, 1960.
Since the Commissioner held so much personal power, lines of responsibility for
the state's colleges and universities at the Department of Education were obscure. The
commissioner's authority over public higher education extended mainly to the teachers'
colleges. The state funded and contracted for educational services with the Newark
College of Engineering (later the New Jersey Institute of Technology) and Rutgers.
These institutions were permitted to keep all income from sources other than the state,
such as tuition and fees, and provide the Department of Education only with an
accounting of how the moneys were spent. However, the teachers' colleges' income from
tuition, fees and all other sources had to be deposited with the state government, then the
Legislature had to specifically authorize spending of those funds through the
appropriation bill. Administrative authority over Rutgers and "colleges with which the
state could contract" - the Newark College of Engineering - was vested in the Board of
Education alone, of which the Commissioner was not a policymaking official but only an
administrator. Thus one part of the higher education system, the teachers' colleges, was
governed by a different line of responsibility from the other two parts, the state university
and the contract colleges (League of Women Voters, 1963).

The Division of Higher Education

The Commissioner of Education exercised his operating authority over higher
education through an Assistant Commissioner who was also Director of the Division of
Higher Education in the Department of Education. Specific functions of the Board of
Education with respect to higher education were:
1. Establish standards of higher education.

2. License private institutions of higher education as required by law.

3. Approve the basis or conditions for granting degrees (does not apply to institution granting degrees prior to March 17, 1891).

4. Require from institutions of higher education such reports as may be necessary.

5. Survey the needs for higher education and the facilities available therefore and recommend to the Legislature procedures and facilities to meet such needs.

6. Investigate and recommend respecting the needs for facilities and services at the State University, advise with the State University regarding its annual budget, and jointly with the State University, make recommendations to the Governor and Legislature in support of the budget.

7. Make to the Governor and Legislature such recommendations as the State Board deems necessary with regard to appropriations that may be required for services, lands, buildings and equipment to be furnished by institutions of higher education other than the State University of New Jersey, make contracts on behalf of the State with such institutions and “see to” the application of the money for such purposes.

The Division of Higher Education, headed by an Assistant Commissioner, was responsible to the Commissioner as its Director. Aside from running the Division, the Assistant Commissioner was responsible for the six state teachers' colleges, for four-year colleges in general and for graduate study programs. The Division also included five other specialized areas which were headed by professional staff members: Offices of Finance Planning; Community, Two Year College and Terminal Education Programs; Adult Education and Academic Credentials; Teacher Education and Certification; and the Office of Informational Service. The organizational chart of the Division of Higher Education is shown in Figure 2.
Figure 2. The Organization of the Division of Higher Education. Source: League of Women Voters, 1960.
The Commissioner and Department of Education had very little control over Rutgers. While contracting with the state for the provision of education and relying on state funds for approximately 45% of its annual budget, Rutgers remained under the control of an independent board of trustees. The legislature designated Rutgers Scientific School as the state’s land grant college in 1864 and named that portion of Rutgers as the state university in 1917, and extended this title to the entire institution when Rutgers College became Rutgers University in 1926 (Schmidt, 1964). The legislature reconfirmed Rutgers’ status as the state university in 1945, but the public’s lack of enthusiasm for public higher education was evidenced by the rejection of a 1948 bond issue for capital expenditures, to be distributed among Rutgers, the six state colleges, and the Department of Institutions and Agencies (Schmidt, 1964). It was not until 1956 that an administrative reorganization brought Rutgers under public control to become a true state university League of Women Voters, 1963). The growth of Rutgers into the role of state university, the only private institution in the nation to become a state university, is illustrative of the strength of the private sector and colonial traditions in New Jersey. Many of Rutgers’ constituents - students, faculty, administration and particularly alumni - supported the continued independence of the institution and expressed regret over its failure to join the Ivy League with the other colonial colleges (Schmidt, 1964).

The Board and Department of Higher Education

The increasing complexity and cost of higher education in New Jersey began with increased appropriations for the six teachers’ colleges in the 1950’s to meet the needs of children born in the post-war baby boom, the first of which were coming of school age.
By 1960, all six of the teachers' colleges had expanded to liberal arts programs and began to award liberal arts degrees. However, state college presidents still reported directly to the Commissioner of Education and had no individual boards (Banks Campbell, 1990). The state colleges were, in effect, operated as a single system under the direction of the Commissioner, as they had been as teachers' colleges. Professorships at the state colleges were sometimes treated as rewards for successful teachers in the elementary and secondary schools, or were used as places to "kick people upstairs" or "pension them off" with tenure (Leone, 1969, p. 197). Thus faculty posts often were intended to serve the needs of New Jersey's elementary and secondary school establishment.

By 1966 the baby boomers were between 12 and 21 years old, and the public finally began to pressure the state to expand higher education (New Jersey Department of Higher Education, 1990). Responding to this pressure, Governor Richard Hughes (governor 1962-1969) took on higher education as a major priority, but the Division of Higher Education was largely immune to the governor's control, because the Director of the Division of Higher Education reported to the Commissioner of Education, not to the governor.

The Commissioner of Education in 1966 was Frederick Raubinger, who had been appointed by Republican governor Alfred Driscoll in 1952 and reappointed by Democratic governors Robert Meyner and Hughes in 1957 and 1962. Raubinger met every few months with the leaders of the New Jersey Education Association, the School Boards Association, the PTA, and the superintendents' association, enabling him to establish himself as a separate entity within state government. The extent of Raubinger's influence was an example of how state education commissioners, in symbiotic
relationships with interest groups, could dominate educational policy-making (Noonan, 1984, as cited in Salmore et al., 1993).

Governor Hughes appointed a committee to study higher education, which concluded that New Jersey higher education could cope with the increased demand for services only by breaking out from the educational bureaucracy's status quo (Rosenthal et al., 1975). The committee recommended a separate advisory board for higher education, a solution rejected by the Board of Education. When Governor Hughes won easy re-election and control of both houses of the legislature in 1965, he could seek dominance over state education policy by obtaining passage of the first broad-based state tax to support education (Salmore et al., 1993).

When the governor's second committee on higher education, chaired by Princeton University president Robert F. Goheen, recommended the creation of a separate Board and Department of Higher Education, Hughes supported the reform and Raubinger announced his resignation. The Legislature passed the Higher Education Act of 1966, which, striking at the heart of Raubinger's empire, created a separate Board and Department for higher education. (Rosenthal et al., 1975; Salmore et al., 1993).

With a view toward releasing New Jersey's institutions of higher education from bureaucratic control, the new Board of Higher Education was intended to be both "neutral as among the institutions...[and a] spokesman for the cause of higher education before the public and the legislature" (League of Women Voters, 1963, p. 46). The Act called for the expansion of opportunities for access to higher education, diversification of the state colleges' offerings, greater autonomy for the state colleges, and joint planning between public and private institutions (New Jersey Department of Higher Education,
1990). The Act essentially liberated the Division of Higher Education from the Department of Education and established it as the new coordinating body for the state's colleges and universities.

This new coordinating structure kept much system-wide authority in Trenton. The Board of Higher Education was composed of seventeen members: nine public members, appointed by the governor with the advice and consent of the Senate, and six institutional members: the chairman of the Board of Governors at Rutgers; the chairman of the Board of Trustees of Newark College of Engineering; the chairman of the Council of State Colleges; the chairman of the Council of County Colleges; the president of the State Board of Education; and the representative of the Association of Independent Colleges and Universities in New Jersey. The Chancellor of Higher Education and the Commissioner of Education were non-voting ex-officio members (Chapter 302, P. L. 1966). The Board of Higher Education's authority was similar to that of the old Division of Higher Education:

1. Advance long-range planning for the system of higher education as a whole; establish general policy for the governance of the separate institutions; coordinate the activities of the individual institutions; and maintain general financial oversight. The board has exclusive jurisdiction over higher education.

2. Conduct research on higher educational needs.

3. Develop and maintain a comprehensive master plan.

4. Establish new colleges, schools, units, divisions, institutes, departments, branches, and campuses.
5. Establish minimum admission standards for all public institutions of higher education.

6. Establish minimum standards for all public institutions of higher education for degree granting, approve new programs and degrees and approve discontinuance of degrees and educational programs.

7. Receive all budget requests from the institution, co-ordinate and balance such requests, and submit a combined request for appropriations annually to the governor.

8. Act as an agency of communication with the federal government on public funds available to the state for higher education, and receive and recommend the disbursement of such funds.

9. Set policy on salary and fringe benefits, and establish general personnel policies of the public institutions.

10. Review periodically existing programs of instruction, research, and public service in the public institutions, and advise them of desirable change.

11. Keep the governor, legislature and the public informed of the needs and accomplishments of public higher education.

12. License institutions of higher education.

13. Approve the basis or conditions for conferring degrees (except institutions awarding degrees before April 1, 1887).

14. Require from institutions such reports as may be necessary to enable the Board to discharge its duties.
15. Recommend to the governor and the legislature the appropriations required for land, services, buildings, and equipment to be furnished to institutions other than Rutgers. In addition, no moneys could be disbursed to any institutions without the recommendation of the Board of Higher Education, and the Board could contract with the institutions on the state's behalf.

16. Exercise visitatorial powers of supervision and control over the institutions.

17. Establish rates of tuition and other fees to be paid by students at the state colleges. (Chapter 302, P. L. 1966)

The Chancellor of Higher Education now corresponded in authority to the Commissioner of Education as executive officer in charge of the administration of the Department of Higher Education. However, the Board of Higher Education, not the Chancellor, was formally invested with policymaking authority, while “all of the functions, powers and duties of the existing Department of Education pertaining to higher education...[were to be] transferred to and vested in the Department of Higher Education.” (Chapter 302, Laws of 1966). The Department of Higher Education's table of organization is shown in Figure 3.
Figure 3. The Organization of the Department of Higher Education. Source: New Jersey State Department of Higher Education, 1990.
In a 1967 policy statement the Board of Higher Education set forth its own views on its new responsibilities, in which it reaffirmed that the structure of New Jersey higher education consisted of an independent sector and a tripartite public sector composed of the state colleges, the community colleges, and the senior universities, Rutgers and the New Jersey Institute of Technology (NJIT). The Board of Higher Education held that the sectors must remain distinct in their missions and that the responsibility of the Board was to insure orderly and balanced growth of the entire system, and to see that the total public expenditures for higher education were allocated in the manner most likely to advance the interests of the total community (New Jersey Board of Higher Education minutes, September 12, 1967).

The founding of the Board and Department of Higher Education was intended by lawmakers as a progressive step which would end the status quo and enable New Jersey’s colleges and universities to meet the surging demand that had gone unanswered for almost twenty years. In 1968, Governor Hughes expressed his enthusiasm for the anticipated growth and development now possible under the new structure:

The Board and Chancellor ...[are] well along in the development of New Jersey’s first master plan for the development of higher education. This plan will be the basis for a true system of higher education – one that will forge strong links with New Jersey’s great private colleges and universities...That master plan will encompass not only the State colleges, but also the burgeoning development of our two-year community colleges, the continuing expansion of Newark College of Engineering and Rutgers,
the State University, and first-rate graduate programs, especially in medicine, which have been too long delayed.

We contemplate, in other words, a system noted not for its uniformity but for its diversity; not for its slavish adherence to the status quo but for its over-riding concern for the challenges and realities of our times. We envision a system that responds to the needs of a vigorous and growing State and all—not just some—of its people. (New Jersey Board of Higher Education minutes, June 29, 1967, p. 2)

The Department of Higher Education's first Chancellor, Ralph Dungan, was recruited from the Kennedy administration and was charged with the establishment of the new Department's organization and the first attempts at long range planning. Upon surveying the existing system of higher education, one of the Board of Higher Education's first policy statements attempted to quell fears of state intrusion into academic affairs by acknowledging that:

an atmosphere of academic freedom is a fundamental prerequisite for excellence in higher education...the Board believes strongly that administrative rules are means, not ends; and that they should not be permitted to interfere excessively with the primary objectives of the institutions: the search for truth and the acquisition of knowledge (New Jersey Board of Higher Education minutes, September 15, 1967, p. 1).

The Board of Higher Education maintained that one of its prime purposes was to encourage diversity among the sectors, and began to draft its intended relationship with each type of institution. The Board held that the private sector "should be full partners in
the expansion of higher education...[but the Board] shall take special care to avoid interference with the essentially private decisions and nature of these institutions;” the community colleges should place “primary emphasis on the provision of post high school education which will lead to productive employment;” and that the state colleges, whose administrative freedom was a main focus of the Higher Education Act, should “effect a rapid transition from single-purpose to multi-purpose institutions” (New Jersey Board of Higher Education minutes, September 15, 1967, p. 2-3).

New Jersey’s unusual relationship with its state colleges entered a new era with the 1966 establishment of the Department of Higher Education, and many existing and later tensions over institutional autonomy and the extent of the Board and Department’s authority manifested themselves in the struggles between the state government’s executive branch and the state colleges. It was the state’s view that the state colleges should meet the increased public demand for services by changing their mission, and the state colleges were the sector most directly affected by Board policy (Frances, & Wirth, 1989). As the state colleges grappled with how to approach the shift from normal schools to liberal arts institutions, the Board of Higher Education expressed doubt over the colleges’ ability to handle the transition:

In developing multi-purpose programs the State colleges should not overreach themselves by trying to provide every desirable program in a short period of time. Neither faculties nor facilities can be strengthened overnight and it is our view that high standards cannot be sacrificed for the appearance of a catalogue ‘rich’ in course offerings.
Nevertheless, the State colleges are urged to move as rapidly as possible in this transition. (New Jersey Board of Higher Education minutes, September 15, 1967, p. 4).

In theory, the Higher Education Act had granted the state colleges self-governance, but in practice the colleges continued to be underfunded and exercised little autonomy in fiscal, operating and personnel matters (Rydell, 1991). State college boards of trustees attempted to work with Chancellor Dungan and his staff on problems that arose from this lack of fiscal autonomy, but they made little progress until the Legislature was alerted to the problem and clarified the intent of the Higher Education Act by passing the State College Autonomy Act of 1969. This new legislation transferred “authority and decision making to boards of trustees and administrators in the areas of personnel, budget execution, purchasing, and contracting” (State of New Jersey, 1969; Rydell, 1991).

This new Autonomy Act was meant to provide state college boards of trustees the authority to render management decisions, more in keeping with college administrative norms in the rest of the United States. However, the legislation ignored the state colleges’ other entanglements in the state bureaucracy, and included language that allowed the bureaucracy to limit the Board of Higher Education’s authority. Autonomy under the 1969 law was only possible with the cooperation of the State Director of Budget and Accounting and the State Treasurer. Offices in the Executive Branch, including Treasury, Civil Service, and the Office of Employee Relations, continued to regard the colleges simply as state agencies, subject to fiscal and personnel statutes that governed all state operations. In addition, personnel negotiations were further centralized
through the Office of Employee Relations. In effect, the intended decentralization of power never took place (Rydell, 1991).

The decades of the 1970s and 1980s were a period of extensive growth in both enrollments and budgets for New Jersey’s public colleges. State support for higher education went from $84 million in 1966-67 to $983 million in 1990, and enrollments at the public institutions grew from about 77,000 in 1966 to 158,000 in 1990 (New Jersey Board of Higher Education, 1991). The Board of Higher Education oversaw the founding of three new state colleges, fourteen new county colleges, and a multi-campus public medical school, as well as the development of three new colleges and two new campuses at Rutgers.

Between 1966 and 1987 the state invested $739 million in higher education through bond issues and capital allocations in the yearly state. Of the 3,120 policy actions taken by the Board of Higher Education during its existence, 727 or nearly one quarter, were for capital projects and bond issues for construction, which reflects the Board's role in the creation of community colleges and the expansion of services at the state colleges budgets. The Board's second most common policy action was "Academic Program Approvals and Discontinuances," or program review (New Jersey Department of Higher Education, 1990). As indicated in Chapter I, the term “program review” designates the statewide coordinating agency's authority to initiate or change degree programs as well as found new institutions. The third most common policy action was the establishment of regulations for the colleges. Overall, bond construction, program review and rule-making comprised just under half of all of the Board's policy actions.
During the 1970s and 1980s, New Jersey’s higher education structure had features of both comparatively decentralized institutional governance and strong state regulatory control because of the system inherited by the Board and Department of Higher Education and their decision to keep the sectors distinct. Reflecting its origins as a private university, Rutgers had greater independence from state regulatory control than any of the other institutions. Although the governor appoints six of the eleven board members, the remaining five members are appointed by a largely advisory board of trustees with legal origins in the institution’s history as a private college. The New Jersey Institute of Technology (NJIT) also functioned with substantial independence of state government, operating under a contract with the state as it did under the Department of Education. The University of Medicine and Dentistry of New Jersey (UMDNJ) was under more state supervision than Rutgers or NJIT because the governor appointed the majority of its board members with the advice and consent of the senate (McGuinness, 1995). However, 1981 legislation granted UMDNJ fiscal and operational autonomy as well as the right to use an independent counsel, subject to the approval of the attorney general, and to make capital expenditures up to $500,000 without the approval of the Board of Higher Education (Rydell, 1991).

The Board of Higher Education appointed, subject to the governor’s approval, two of the ten public members of the county college boards, while the county governments appointed the other eight public members. The autonomy of the state colleges, however, was more limited because of overlapping authority and roles. The Board also appointed the members of the state college boards, subject to the governor’s approval. In addition, the Department of Higher Education’s chancellor also sat on the
state college institutional boards as an ex officio member, an overlapping representation and authority not true of the universities’ governing boards (McGuinness, 1995).

As a result of the administrative and fiscal control held by the state bureaucracy, New Jersey’s state college faculty and administration experienced frustration and obstruction during a period of extraordinary growth in American higher education. Faculty who successfully secured private and federal grants were unable to make timely purchases with those funds, which hampered research efforts and undermined attempts to shift to a liberal arts focus. Negotiated statewide salary packages were not fully funded by the state, which meant hiring and salary freezes and, in some cases, the diversion of funds from other accounts to meet salary needs. In addition, academic departments were unable to make salary commitments to new faculty candidates or to purchase equipment or supplies on schedule (Rydell, 1991).

Rutgers was able to avoid any direct association with the state’s Office of Employee Relations, the governor, and the Chancellor of Higher Education by agreeing to continue collective negotiations with the American Association of University Professors (AAUP) and to conduct their faculty and staff negotiations under an arrangement which provided for a liaison with the governor’s office and the Department of Higher Education. For faculty and personnel purposes, Rutgers, like the University of Medicine and Dentistry of New Jersey, was regarded by the State as the “employer.”

Conversely, the state was the employer for the faculty and staff at the state colleges. In the existing climate of frustration, faculty collective bargaining leadership routinely bypassed the state college presidents and the Department of Higher Education and negotiated directly with the Office of Employee Relations to resolve disputes at the
individual colleges, often with no prior attempt to resolve the dispute at the campus in question. This practice, along with the Office of Employee Relations' control of faculty negotiations, reinforced the centralization of the state colleges in direct contradiction to the spirit of the State College Autonomy Act of 1969 (Rydell, 1991).

Another obstacle to the realization of full autonomy at the state colleges was a strong difference in opinion between Chancellor Dungan and the presidents on the meaning of autonomy to the future of the colleges and the colleges' central mission. The Chancellor envisioned undergraduate liberal arts institutions while the presidents foresaw graduate programs and eventual university status. In addition, Chancellor Dungan felt that autonomy should be accompanied by central control, without which consistency and accountability could not be ensured, and practiced a "hands-on" approach to administration (Raichle, 1980; Banks Campbell, 1990; Rydell, 1991).

The Department of Higher Education's second Chancellor, T. Edward Hollander, expanded and refined many of the programs already in place, and, having fought for more flexibility in New York's CUNY and SUNY systems, brought a management view that government intervention into college operations is "inefficient, inappropriate, and potentially dangerous," but that "policy decisions are properly placed with elected public officials" (Rydell, 1991, p. 89). Chancellor Hollander invited the academic community to participate in his decision-making process by convening conferences and special meetings to elicit input and open discussion before having the Board act on an issue. However, once a decision was made, Hollander used strong measures to ensure compliance; for example, he threatened the funding of those colleges which did not have ten percent minority enrollment. He also threatened the licensure of institutions which did not report
basic skills retest scores. When legislation was enacted to give the county colleges wide powers of self-governance similar to those granted the universities, the state college presidents urged the Council of State Colleges to recommend to the Board of Higher Education the establishment of a body to study the state college sector and its place in the New Jersey higher education system. In response the Board impaneled the Commission on the Future of the New Jersey State Colleges (the Commission) in 1982 (Rydell, 1991; New Jersey Department of Higher Education, 1994).

The Commission's report, "Toward a University of New Jersey," released in February 1984, recommended that the state colleges be reorganized as branch campuses of a single university, with fiscal control at the campuses and systemwide planning, prestige and advocacy (Commission on the Future of the State Colleges, 1984). The state colleges rejected the idea of consolidation and offered the Board of Higher Education a counterproposal, which called for the creation of a state college coordinating board with an executive director position to advocate the interests of the state colleges. The proposed coordinating board would exercise powers of budget coordination, program approval, development of purchasing, personnel and payroll guidelines, and the oversight of collective bargaining. The state college boards of trustees would have the powers intended by the 1969 autonomy legislation and be subject to the guidelines advanced by the coordinating board. Concerns on both sides of the issue of state college consolidation included the persistent problem of student out-migration, and the need for visibility, prestige, advocacy, diversity and campus level administrative authority at the state colleges (Rydell, 1991).
Primarily opposed to the concept of increased self-governance for the state colleges and the Commission's report were state government offices such as the Office of Employee Relations, the Department of Civil Service, and the Bureau of Budget and Accounting, and the union locals of the American Federation of Teachers and the Communication Workers of America. Those who favored state college autonomy, apart from the presidents and trustees, were the chancellor, the Department of Higher Education staff, the Board of Higher Education, and the governor and his staff.

As in 1965, this reform effort had the support of a governor who had made higher education a priority in his administration. In his 1985 annual message, Governor Thomas H. Kean (governor 1981-1989) challenged the state colleges to "become among the very best...in the nation" (Hollander, 1991, p. 29). The state then appropriated an extra $10 million to the Department of Higher Education and invited the nine colleges to compete for the funds by submitting a three year plan that had to include institutional assessment, a projection of future size, a plan to increase the quality of students and student services and a plan to refine and enhance the quality of academic offerings. The success of the Challenge Grants led to a similar offer to the community colleges, and in 1988 the independent institutions requested inclusion (Hollander, 1991).

In April and May of 1984 the Board of Higher Education held hearings on the report of the Commission, and after the October 1984 Board meeting Hollander and the Board provided the state college presidents with a liaison to the legislature and drafted the language of the State College Governing Boards Association bill, the governance bill, and the contracts bill, which together comprised the legislation which granted the state colleges autonomy from most of the state bureaucracy. This measure passed the
legislature in 1985 (Rydel, 1991). The State College Governing Boards Association bill created the State College Governing Boards Association, an advocacy group consisting of an executive director and an eighteen member board made up of state college presidents and trustees. The governance bill allowed the colleges to disburse all moneys appropriated and received, now subject only to post-auditing, a practice common in most states. The governance bill further allowed the colleges to contract for the purchase of property, plan for construction, accept contributions and grants, borrow money, authorize new departments and programs subject to the Board’s approval, set tuition and fees according to Board guidelines, engage in institutional planning, and appoint, remove and transfer their own officers and employees, and to set the president’s salary (Rydel, 1991).

Even so, critics charged that, as the Board of Higher Education pressed the legislature to increase the formal fiscal authority of the individual state colleges, the Board’s control over budgets and academic programs had actually increased. The implementation of the Challenge Grant program, as well as Board policy initiatives such as the College Outcomes Evaluation Program, involved channeling funds to the Department of Higher Education for redistribution to the various higher educational institutions in New Jersey, public and private. The institutions applied for the funds under specific programs, guidelines for applications were devised and administered by the Department, and the Department determined the successful applicants. Thus an increased proportion of New Jersey’s higher education budget was directed through the Department of Higher Education for centralized program initiatives. In fiscal year 1981, $3.2 million was expended for management and administrative services; in fiscal year 1989, the expenditure had increased tenfold to $35.4 million, larger than state support for any of the
state colleges except Montclair. Also, Hollander drew criticism for ignoring the advocacy role of the State College Governing Boards Association and attempting to place it in a coordinating role, enabling the Department to refer matters concerning the state colleges to the Governing Boards Association rather than working with the institutions (Rydell, 1991).

After Chancellor Dungan led the development of a statewide coordinated system, Chancellor Hollander governed programs and moved toward evaluating how well colleges and universities did with general education, student development, overall academics, community and social impact, intellectual skills, research, scholarship, and creative expression. The chancellor’s role under Hollander changed from developer and coordinator to evaluator as growth slowed in the 1980’s and the state’s colleges and universities faced retrenchment and budget cutbacks. In the 1981 State Plan for Higher Education, the Board addressed its changing role in anticipation of shrinking resources:

During the previous decade, when the New Jersey system of higher education was expanding, the Board of Higher Education confined its oversight of programs of instruction, research, and public service in institutions of higher education to the review of proposals for new programs. In the 1980s, the emphasis should shift toward maintaining and improving program quality through the establishment and implementation of procedures for the regular review of existing academic programs...

The results of unfavorable academic program reviews should be scrutinized carefully by institutional administrations and should be followed by a decision either to strengthen programs essential to the
mission of the institution or to discontinue those which do not serve an essential need. Programs of low quality should be discontinued, especially if higher quality alternatives are available at nearby institutions. Any program judged not to meet standards of academic quality should be considered for discontinuance. (New Jersey Board of Higher Education, 1981, p 97-98)

Although the Board of Higher Education was instituted as a coordinating board, because of the enforcement authority and compliance measures assumed by Chancellor Hollander, some observers and critics questioned the difference in New Jersey between coordination and regulation (Banks Campbell, 1990). The authority of the Board and Department of Higher Education appears to have been a logical outgrowth of the authority the Department of Education had had over the teachers' colleges, through the Division of Higher Education. Rutgers, NJIT, and UMDNJ retained some autonomy, and community colleges had had stronger ties to their respective counties than to state government.

Private institutions dealt with the Department of Higher Education through the Association of Independent Colleges and Universities of New Jersey (AICUNJ). While some private colleges respected the publicly stated goals of some Department directives, such as diversity, Total Quality Management, productivity measures, and the increased use of technology, they resented the Department's tendency to micromanage the implementation of these directives, which the independent sector perceived as an intrusion upon institutional autonomy.
The Department of Higher Education's level of control over public institutions grew as state government transferred the scattered, piecemeal oversight exercised by different bureaucracies over various higher education functions to the Department. New Jersey's history of strong state direction over public higher education, particularly the state colleges, seems to have remained essentially unchanged since the creation of the Department of Education in 1945.

The Development of Restructuring

The economic recession of the late 1980's and early 1990's dominated policy discussion at all levels of government and was a major theme of the presidential election of 1992. When Democratic Governor Jim Florio enacted a $2.8 billion tax increase in 1990, the decision earned him significant unpopularity with New Jersey voters. When the governor ran for re-election in 1993, his campaign was encouraged by Bill Clinton's defeat of George Bush in the presidential contest because Bill Clinton was the first Democratic presidential candidate to have won the popular vote in New Jersey since 1964 (Donohue, 1994; Wald, 1992). However, the Clinton victory represented not New Jersey voter support for the Democratic party but rather the defeat of an unpopular incumbent (Wald, 1992).

Governor Florio's tax increase was one main issue of the gubernatorial campaign of 1993. The Republican candidate, Christine Todd Whitman, was a former Somerset county freeholder who almost unseated Democratic senator Bill Bradley in 1990 when Bradley would not repudiate Florio's tax increase. Whitman made fiscal strategy a central theme of her campaign and criticized the state government spending policies that made
the tax increase necessary. Whitman described the repeal of the tax increase as a goal of her administration (Weissman, 1993).

Christine Whitman took office in 1993 and devoted much of her transition to looking for ways to implement spending cuts. No state-funded program was "off the table" (Mendez, 1994, p.1). The transition team met with representatives from all state departments and enterprises and first proposed cuts in funding to both the Department of Higher Education as well as to the institutions, proposals which were opposed by the Department. However, as the governor considered the fiscal implications of cutting aid to higher education, the discrepancy between institutional autonomy as legislated and institutional autonomy in practice, especially at the state colleges, became a focal point of reform. The governor began to consider instead the removal of the Department of Higher Education, and on March 15, 1994, Governor Whitman announced in her budget message her plan to introduce free market accountability to New Jersey higher education by eliminating the Board and Department of Higher Education.

The original restructuring plan was co-authored by Jane Kenny, the governor's chief of policy planning, and David Kehler, a deputy treasurer. The plan, loosely based on the coordinating structures of Michigan and Virginia, created three agencies:

1. A Council of College Presidents that would decide what programs would be offered by which colleges and universities; the council would have its own staff, but no decision [had] been made as to which government department would control it;
2. An advisory commission that would report directly to the Governor and give the state's chief executive control over policy and planning;

3. A higher education research unit that with its own staff, would "set common data standards and collect information;" no decision [had] been made as to which government department would control the unit. (Braun, 1994, p. 14)

The governor's plans were not made public in the development phase, nor were they discussed with higher education officials until hours before the announcement (Braun, 1994). Responding to criticism from members of the Board of Higher Education about the lack of broad consultation before the announcement of the restructuring plan, Whitman appointed a 15 member Advisory Panel on Higher Education to recommend a new structure for higher education oversight and coordination. The Panel noted in its report that it was "not surprising" that the Board and Department of Higher Education, as a new coordinating agency, "working with what was then a largely immature set of institutions, developed broad authority over those institutions, with extensive controls over most of their governing boards and many of their other functions." (Report of the Governor's Advisory Panel on Higher Education Restructuring, 1994, p.1). The panel agreed that the "ideal goals of an effective system of higher education" had not changed significantly from those outlined in the report made by the Citizens Committee for Higher Education in New Jersey, appointed by Governor Hughes in 1965, but that "as New Jersey's higher education system has evolved and its needs have changed over the past 28
years," a new governance structure was needed for the system (Report of the Governor's Advisory Panel on Higher Education Restructuring, 1994, p.1).

In June 1994, the Legislature passed the Higher Education Restructuring Act, and Governor Whitman signed it into law on June 24. Under the final version of the Act the powers and functions of the Board and Department of Higher Education were dispersed to institutional boards of trustees, the Commission on Higher Education, the Presidents' Council, and the Office of Student Assistance. The Office of Student Assistance, established in but not of the Department of the Treasury, assumed the administration of programs that had been run by the Student Assistance Board and the Higher Education Assistance Authority. Institutional governing boards now have the general powers and duties to:

1. Develop an institutional plan and determine programs and offerings consistent with this plan and institution's programmatic mission; supervise and operate the institution, including oversight of fiscal affairs, employment and compensation of staff who are not classified members of the civil service system, and capital improvements in accordance with law;

2. Set tuition and fees after a public hearing;

3. Establish admissions standards and requirements for granting diplomas, certificates, and degrees;

4. Recommend individuals for appointment by the Governor to the institution's governing board;
5. Serve as the final authority in controversies and disputes concerning tenure, personnel matters of unclassified civil service employees, and other issues arising under Title 18A of the NJ Statutes involving higher education (final administrative decision of a governing board may be appealed to the courts);

6. Invest institutional funds (public institutions that invest their funds through the director of the Division of Investment in the Department of Treasury must continue to do so unless the Treasurer annually waives this requirement);

7. Retain independent legal counsel (with respect to tort claims, each state institution had to elect within 75 days of July 1, 1994 whether it, and its employees, would be represented in all such matters by the Attorney General (AG). Institutions electing not be represented by the AG must provide employees with defense and indemnification that would otherwise be sought from the AG);

8. Prepare and make available to the public an annual report that provides all required data and information on the condition of the institution;

9. Be accountable to the public for fulfillment of its mission, statewide goals, and for effective institutional management;

10. Submit an annual request for state support to the Department of Treasury and to the Commission on Higher Education; and
11. Prepare and make available to the public an annual financial statement, a statement regarding expenditures for government relations, public relations and legal costs, and an independent financial audit. (New Jersey Commission on Higher Education, 1999)

The Commission on Higher Education was established in but not of the Department of State. The chair of the Commission has the power of visitation at public institutions at the request of the Governor, and the Educational Opportunity Fund program, unchanged in form and function, now reports to the Commission on Higher Education.

The Commission is a lay body consisting initially of 15 members: 10 public members appointed by the Governor with the advice and consent of the Senate (six of the ten public members must be current members of a governing board of a New Jersey higher education institution); four public members appointed by the Governor, two of whom must be recommended by the Senate President and the Assembly Speaker respectively, and the chair of the Presidents' Council (ex officio). In addition, two student members, appointed by the Governor from recommendations by student government associations, serve one-year terms on the commission as non-voting. The Executive Director of the Commission also serves as an ex officio, nonvoting member. Effective July 1, 1996, membership on the Commission was reduced to nine members: 6 public members appointed by the Governor with the advice and consent of the Senate, two public members appointed by the Governor, one each recommended by the Senate President and the Assembly Speaker respectively, and the chair of the Presidents' Council
(ex officio). The student members and the Executive director continue to serve as nonvoting members. The Commission is responsible for:

1. Statewide planning including research on higher education issues and the development of a comprehensive master plan;

2. Advocacy on behalf of higher education;

3. Making recommendations to the Governor and Legislature on higher education initiatives and incentive programs;

4. Licensing institutions and granting university status;

5. Adopting a code of ethics for higher education;

6. Rendering final administrative decisions on: new academic programs that go beyond the programmatic mission of an institution, new academic programs referred to the commission by the Presidents’ Council because they are unduly expensive or duplicative, or a change in the programmatic mission of an institution (programmatic mission means all program offerings of the institution within those levels of degrees or certificates authorized by the State Board of Higher Education or The Commission on Higher Education);

7. Reviewing budget requests from the institutions in relation to their missions and statewide goals and proposing a coordinated budget policy statement to the Governor and Legislature;
8. Communicating with the state Board of Education and Commissioner of Education to advance public education at all levels;

9. Applying for and accepting grants from the federal government and acting as the lead agency for communication with the federal government regarding higher education;


11. Establishing the form and content of annual institutional reports to the public on the condition of each institution;

12. Within its first year, conducting studies and making recommendations to the governor and legislature regarding:

   - collective bargaining and civil service at the state colleges, the administration of student assistance, articulation between higher education and K through 12, and long-term funding of higher education including tuition establishment;

13. Within its first year, amending, continuing, or repealing all regulations pertaining to licensure of institutions, code of ethics
and outside employment of agency and public institution employees, residency requirements for tuition purposes, personnel policies, tenure and multi-year contracts, rights and procedures for reductions in force, student trustee policies, length of academic year, and early retirement policies; and

14. Reporting to the Governor and Legislature in 1996 and 1999 on the effectiveness of the restructuring of higher education; the final report shall also include a variety of required data for each public institution. (New Jersey Commission on Higher Education, 1999)

The Presidents’ Council was established as a voluntary coordinating body consisting of the president of each New Jersey institution receiving direct state aid. The Act was revised in 1996 to include representatives of proprietary and religious institutions on the Council. Much of the work of the Council is performed by its Executive Committee, which the Act also created. The Presidents’ Council is responsible for:

1. Providing public information and research on higher education issues;

2. Reviewing and making recommendations to the commission on higher education concerning new programs which exceed an institution’s programmatic mission or which require significant added resources or raise significant issues of duplication, those deemed unduly expensive or duplicative to be referred to the Commission for review and decision;
3. Encouraging the formation of regional and cooperative programs among institutions and developing criteria for “full faith and credit” transfer agreements between county colleges and other institutions of higher education;

4. Advising and assisting the commission in developing and updating a statewide plan for higher education;

5. Providing policy recommendations on statewide higher education issues;

6. Making recommendations regarding state aid levels, higher education issues, and student aid;

7. Upon referral from the Commission, providing recommendations concerning institutional licensure and university status; and

8. Appointing subcommittees made up of presidents of various sectors to decide matters within the authority of the council. (New Jersey Commission on Higher Education, 1999)

Both the Commission and the Presidents’ Council were organized and held their first meetings in July of that year, and institutional governing boards immediately assumed final decision-making authority in the several areas which previously required Board or Department of Higher Education approval. The Commission completed all of its mandated studies in 1995, and, in consultation with the Presidents’ Council, made recommendations to the Governor and Legislature in each of the areas specified by the Restructuring Act. The Commission adopted a master plan in October of 1996, and
issued two systemwide accountability studies (New Jersey Commission on Higher Education, 1999).

The Presidents’ Council has responsibility for new program review. The Council’s New Program Review Committee was established in August 1994, and the Council adopted a new program review process as one of its first actions. Since then new proposals, as well as many from a backlog of proposals awaiting Department of Higher Education approval for several years, have been reviewed. Overall the review process has resulted in the establishment of over 73 new degree programs and the discontinuance of six programs (New Jersey Commission on Higher Education, 1999).

Governor Whitman’s main criticism of the Board of Higher Education was that it had become focused on regulation and control, not coordination. Supporters of restructuring included the institutions themselves, as represented by the New Jersey Council of Community Colleges (NJCCC), the New Jersey State College Governing Boards Association (NJSCGBA), and members of the advisory panel, which included Francis Lawrence, president of Rutgers University, and Harold Shapiro, president of Princeton University.

Besides the Board and Department of Higher Education, those opposed to restructuring included the League of Women Voters; the state Parent Teachers' Association (PTA); the state National Association for the Advancement of Colored People (NAACP); the American Association of University Women (AAUW); the American Association of University Professors (AAUP); and the unions who, under the Board and Department of Higher Education, bargained collectively with the state rather than with each individual state college: the American Federation of Teachers (AFT); the
Communication Workers of America (CWA); and the New Jersey Education Association (NJEA).

Chancellor Goldberg had expected a virtually united front among the presidents of the public institutions against the restructuring, but most remained silent, as did most presidents in the private sector. Goldberg and members of the Board of Higher Education characterized the presidents' reluctance to speak out as the immediate result of the impact of politics on the academy. Both Goldberg and the Board of Higher Education attributed the presidents' silence to fear and the imminent loss of academic freedom. Furthermore, Board members accused the Whitman administration of collusion with Trenton State College (now the College of New Jersey) in the dismantling of the Board. Trenton State had clashed with the Board on questions of autonomy, particularly the right to set fees and change programs. The Board had repeatedly blocked Trenton State's efforts to upgrade its engineering program, a change recommended by outside accreditation experts who had told the school that its students were at a disadvantage in the professional world because their degrees were in engineering technology, not full-fledged engineering science. The Board rejected the school's proposal first on the grounds that the program would compete with NJIT, then saying it was too expensive. In 1993, after five years of negotiation, the Board allowed the school to create an engineering science program, but the delays intensified the philosophical divisions between the state college sector and the Board of Higher Education (McLarin, 1994).

More recently, the Board had blocked Trenton State from purchasing rent-free homes for its administrators with public money, and from instituting a "fee for quality" in an attempt to increase revenue. In the housing dispute, the attorney for the college was
Camille Kenny, sister to Governor Whitman's chief policy advisor, Jane Kenny. (Braun, 1994, p. 14)

The apparent suddenness of Whitman's call for reform, and her singling out of Trenton State as an institution no longer in need of state supervision, led to informal speculation that the governor's decision was informed by Camille Kenny's interest in Trenton State. Publicly, at the center of the debate was the transfer of authority over tuition rates and academic program decisions from the Board and Department of Higher Education to the institutions. Opponents of restructuring accused the governor of trying to transform public institutions into private ones funded with public money; they would become expensive and exclusive. Supporters of restructuring predicted a new period of innovation and creativity at the state colleges, and that autonomy would turn the state college sector into "real colleges."

Summary

The conjecture surrounding the reasons for higher education reform formed the point of inquiry which led to this study and the research questions posed here. In addition to a literature based historical analysis, individuals directly involved in New Jersey's higher education coordination during the times of change have perceptions which may help provide insight into the forces helping to shape the relationship between state government and the institutions. To approach a more complete understanding of the nature and structure of that relationship, interviews were conducted with personnel who worked in state government and in the institutions. The next chapter presents the findings of the interviews conducted by the researcher.
CHAPTER V

From Cabinet Department to Commission:

The Dissolution of the Board and Department of Higher Education

Presentation of Interview Findings

Introduction

The dismantling of the Board was largely unforeseen by the higher education community and not predicted in the literature. Nothing in the language of the legislation that established the Board and Department of Higher Education seemed to connote its demise when the institutions reached a particular level of development, or when any set of circumstances were shown to exist. How did the Board and Department of Higher Education come to be viewed as superfluous? To understand the changes that took place in New Jersey higher education, the author found it necessary to interview people who were part of that change process. The interview questionnaire sought to provide information specific to the events surrounding the abolition of the Board and Department of Higher Education in 1994.

The researcher conducted qualitative interviews with eleven respondents who represented the New Jersey Commission on Higher Education, the defunct New Jersey Board and Department of Higher Education, the independent sector, the state colleges and the community colleges. The interviews were conducted in the summer and fall of 1997,
and all respondents' work involved them in New Jersey higher education coordination both before and after the dismantling of the Board and Department of Higher Education.

The Interview Respondents

Summary of Background Questions

This section describes briefly the background questions asked of each interview subject and the organizational perspective each respondent brought to the interviews. In order to protect the anonymity of the interview respondents, the author's participant designation substitutes a letter for each separate state government agency, college or university represented, and a number for each individual interviewed from that organization. For example, the participant designation A-1 translates as the first person interviewed at A the state government agency designated as Agency A.

Interview respondents were asked to describe their current position, their responsibilities, and their previous positions in higher education. The respondents were also asked to describe the nature of their professional contact with the Board and Department of Higher Education (referred to by many respondents as the "Board," or "Department," respectively). Next, the respondents were asked to describe their interaction with the Board and Department in their previous positions and compare it to their present interaction with the Commission on Higher Education (called simply the "Commission" by most) and the Presidents' Council.

The interview subjects were then asked to discuss how their responsibilities were affected by changes at the Department, their level of decision making input at the
Department, and whether they had input into the process of the dissolution of the Board and Department. Finally, the respondents were asked to characterize their present level of input into decision making at the Commission and how the establishment of the Commission has affected their responsibilities.

Participant A-1 is an administrator with extensive experience in the private sector and brought that perspective to the interview. His position was unchanged by the transition. A-1 had wide-ranging interaction with the Department of Higher Education before the restructuring and now has a similar level of contact with the Commission. Participant B-1 served in an agency that was directly affected by the restructuring and helped set up the transfer of programs from the Department to the Commission, and was a close observer of the transition.

Participant C-1 was not employed by the old structure and was able to compare New Jersey's decentralized system to other arrangements at work in other states. Participant C-2 worked in state government just prior to the transition and was able to observe the impact the dissolution of the Department had on the people who worked there, and brought that perspective to the interview. Participant C-3 was part of the Board and Department administration for a number of years before moving to the new structure, and could provide a comparison of the operations of the Department and the Commission. Participant C-4 was part of the old structure and had worked with the community college sector for 15 years before joining the new administration. C-4 spoke at length about the impact of restructuring at the community college level.
Participant D-1 is an administrator at a private university who had had a great deal of contact with the Board and Department of Higher Education. D-1 had held a variety of positions in higher education and had joined state government after a career in university administration. Participant D-2 holds no position in the new coordinating structure but had also had an extensive career in higher education, both in institutional administration and in New Jersey state government before the restructuring.

Participant E-1 works in the state college sector and had a great deal of experience in state college institutions. E-1's position was unchanged by the restructuring. E-1's position required a great deal of contact with the Department and continues to require a great deal of contact with the Commission and Presidents' Council. Participant F-1 works in the community college sector and had interacted quite frequently with the Department before the transition. F-1 had been considering leaving New Jersey higher education, but when the restructuring was announced he remained, in the same position, interested in the outcome of decentralization. F-1's level of contact with the Commission is similar to his previous level of contact with the Department. Participant G-1 is an administrator at a private institution, and spent most of his long career in New Jersey's private sector. G-1's previous positions in higher education required almost daily contact with the Department but his position at the time of the interview required almost no direct contact with the Commission.

Three respondents, A-1, B-1, and G-1 held positions that were unaffected by the dissolution of the Board and Department of Higher Education. Three respondents, C-2, C-3 and C-4, made the transition from the old coordinating structure to the new. As stated above one interview subject, C-1, had not been part of the old coordinating
structure. Two other participants, D-1 and D-2, had been employed in state government and are now no longer employed by the state because of the restructuring. Finally, the state college representative, E-1, and the respondent from the community college sector, F-1, were unaffected by the restructuring in terms of personal employment, but the nature of their function changed significantly after 1994.

The Interview Findings

The purpose of this study was to understand the ways in which higher education coordination in New Jersey evolved from 1970 to 1999, and the interview questionnaire was designed to endeavor to elicit information that would address the causes and forces behind the changes in higher education in New Jersey from 1970 to 1999. This chapter presents the interview participants’ detailed answers to the interview questions, and these responses comprise the major part of this chapter. The interview responses have been grouped according to three categories. The first category, "Understanding the Board and Department of Higher Education," groups together responses that present the subjects' observations and descriptions of the Board and Department of Higher Education's and their level of authority during their tenure. The second category, "Understanding the Commission and Presidents' Council," groups responses that address the respondents' perceptions of the functioning of the Commission and Presidents Council, contrasted with that of the Board and Department of Higher Education. Finally, the third category of interview responses, "Evaluating the Transition," presents the subjects' impressions of the events surrounding the dissolution of the Board and Department of Higher Education,
their evaluations of the impact of the transition, and their opinions on the effectiveness of
the new coordinating structure.

Understanding the Board and Department of Higher Education

Participants were asked to describe their perceptions of the workings of the Board
and Department of Higher Education prior to the 1994 restructuring, their changes in
function, and what they thought caused those changes. The first question was, “How
would you describe the work of the Board and Department of Higher Education?” Most
respondents agreed that the Department of Higher Education, rather than the Board,
exercised a great deal of control over New Jersey higher education during their existence.
However, perceptions of the positive or negative effects of that control seemed to differ
according to whether the respondents were still involved in higher education at the state
level at the time of the interview.

Two administrators, D-1 and D-2, who were involved in the old Board and
Department structure and are not now part of the new structure, saw the Department’s
level of control as necessary to stimulate institutional growth and safeguard against
excessive institutional self-interest. D-1 described the Board as:

a typical coordinating board, but with a solid national reputation [and] had
done much pioneering work in the coordination of higher education. It
took an expansive approach to coordination. There were many New Jersey
programs that were not to be found elsewhere: the MAC [Minorities in
Academic Careers] program, EOF [Equal Opportunity Fund], financial aid
programs, curriculum innovations, the New Jersey Project on Women,
competitive grant programs for faculty, innovative funding for equipment (such as the leasing fund), and the higher education facilities trust, for example.

Respondent D-2 saw the Board’s role as a major step forward for New Jersey higher education and credited its success to its early leadership. She recalled that, under Ralph Dungan, the first chancellor:

we had a tremendous responsibility. Never before had we attempted to pull all the colleges and universities together and coordinate them so that there was a sense of responsibility and relationship between each other.

Every college had been working on its own.

C-2, who had crossed over from the Board and Department structure into the new Commission structure saw the Department’s level of control as inappropriate and unnecessary. She said the Board served a very important role in higher education in New Jersey. She described Board members this way:

[They were] dedicated people who had an honest and sincere concern for higher ed in the state [and] the chancellors were all dedicated to their jobs and enhancement of higher ed in New Jersey, [but] the Department...had become far more bureaucratic in nature than it needed to be. There were frankly positions that existed that didn’t need to exist. [They] didn’t really constitute full-time jobs and people were holding them, and as a result sometimes they were delving into matters that they didn’t have authority to be delving into, and our staff, therefore...was probably larger than it needed to be, and yet less effective, because while we would have a staff to do a
particular function, it took forever to get it done. As a result, institutions waited a long time to get things processed. It was not a smooth-running operation where things would come in, be processed and go out. For the most part, I think it was a painfully bureaucratic process.

Respondent B-1, who worked for both the Department then the Commission and whose job was unaffected by the transition, described the Board’s almost complete budget control, which involved everything from setting tuition at the state colleges and UMDNJ to program review. B-1 remarked that the Board’s role had shifted to one of less control over time. B-1’s example of this was that the Board used to set tuition each year at the state colleges and at UMDNJ, as well as appointing state college boards of trustees. He said state colleges had been treated as state agencies in one sector, in terms of personnel and budget. He believed that the Board had evolved into a less regulatory, coordinating function, becoming more of an advocate for the colleges on system resource allocation.

Although most of the respondents agreed that the Department had a great deal of authority over the institutions, none of the interview subjects who represented institutions or sectors of institutions considered the Department’s level of influence to be good for the higher education enterprise. E-1, from the state college sector, expressed the state colleges’ frustration with the Department this way:

The Board and Department were highly paternalistic; they were bureaucratic, highly intrusive and very, very unique nationally. The Department and Board stood out for its size and its intrusion into the affairs of higher education. Over time, relationships with the Department had deteriorated. As we matured, we became much more outspoken about
the needs of the colleges. Structurally, here's what happened. You had
the New Jersey State College Governing Boards Association created to be
an advocate for the colleges. The Department also was an advocate for the
colleges and regulated that. The structure just created in establishing the
Governing Boards Association created a lot of tension. And then you have
the chancellor again as a member of the Governing Boards Association. I
would say the relationship between the state colleges and the Department,
and with many of the staff and with the Board of Higher Education was
good. The relationship between the Governing Boards Association and
the Department structurally and with the chancellor deteriorated over time.
What caused the changes was state college autonomy. You had these
teacher's colleges that were managed by the Department of Education. In
the mid '60s, [New Jersey made a] public policy decision [that] was, like a
lot of other states, to include create a state level body just for higher
education, which is what happened in Oklahoma, Ohio, [and] a lot of places.
So New Jersey thinks 'we're special, but we're not unique', so we created a
state level agency modeled after the Department of Education to regulate the
state colleges. Oh, another odd ball thing: real state level coordinating
bodies in the nation never appointed trustees to free standing institutions.
Only [in] New Jersey. That is a factual statement. The Board and
Department, they weren't a management system; they [were] not a system
board. They actually appointed trustees at the colleges. Unheard of, real
conflict of interest. How can you regulate these institutions, and advocate
for them, and also appoint the trustees who appoint the presidents? You see the coercion? The Board was created to help expand the system and help grow public higher education in New Jersey. It did a relatively good job at that. Once the system was in place, it's like trying to manage an adult child the way you did when they were five years old. You can't, because the institutions grew up; they matured. The Department needed to let go and needed to give them the freedoms that real colleges and universities had. They didn't have the capacity to do that. They still kept the same rather myopic, paternalistic, 'we're in charge', we created you and we must regulate you and defend you if need be. And they did some of that, too.

F-1, from the community college sector, thought that although the people working for the Department had good intentions, the process involved with creating a new program took much too long to get approved. F-1's opinion was that, while community colleges like to pride themselves on their creativity and flexibility in responding to demand for new programs, the 12-18 months required for the approval of new programs frustrated that flexibility.

The next question was, "What changes did you see in their activities?" Some participants thought that the Board and Department, while overseeing yearly budget increases to higher education, maintained a static bureaucratic approach to its relationship to the institutions, and ignored the maturation of functions brought on by growth of the 1960's and '70's. C-4, who came over to the new structure, noted that the chancellor had had a very strong role, and the power of that office combined with that of the Board and
Department served to "frustrate the efficient and practical operation of some of the institutions."

C-4 also felt that the Department seemed elitist in its clear bias toward the state university and the research universities, and did not treat each sector evenly. He stated:

Over the years, and as administrations within the Department and the chancellor's administrations evolved, clearly human beings being what they are, there was some definite leaning towards whatever that particular chancellor and his senior staff felt would be the priority of the day or the agenda that they wanted to establish and implement. It seemed to and in fact did, and I can speak from experience on this, did favor sectors -- other sectors over the community college sector, and I didn't presume to go into length on that specifically, but definitely that was a sense of frustration for the community colleges. It was also a sense of frustration, to some extent, for the state colleges for different reasons, for different issues. And essentially it was the feeling, if I can kind of use a metaphor, of dealing with a czar. His court had power and control, and if you weren't the czar's pet or you wouldn't cater to his -- to what would please him, you were relegated to the second or third class citizenship... But something very significant did not occur, which came in this system and which does occur now, is that sectors were not allowed to talk to one another, and in fact, I can remember sitting at the table with the chancellor as a sector representative with my executive director and maybe a president or two and basically being told the state colleges don't like what you're doing.
They're not going to support this initiative, this endeavor that you're undertaking to try to get yourselves better funding by the state. You're ticking them off, so don't do it. And we weren't allowed to talk to the state colleges about how they were funded. And I was told later on, subsequently, by the state colleges that, 'we never said that. In fact, he told us that you guys didn't like what we were doing.' So you had a lot of that going on, and I'm using a specific example which is real. But there was a lot of animosity among sectors that was created somewhat in the Department and the chancellor's office in order, in my opinion, to -- having been there and having seen it, to basically allow the chancellor to manipulate and control the players, if you will, in order to achieve his own agenda, whatever that might be. I'm still not quite sure what it was, other than having the ultimate power and authority and being the person that everyone felt they had to come to in order to get what they wanted. And if they wanted it, you'd do it his way, and you got it. And if you didn't, well, you were out of luck.

F-I agreed, saying that the Board was dominated by people who had "senior college or private college in their own background," and had good intentions but "probably never set foot on a community college campus." In his opinion, the Department seemed to rank the state colleges and the independents second, after Rutgers, and the community colleges ranked last.
B-1 commented that, when budgets were finally compiled, the community colleges and the state colleges felt that the Department did not do all it could to champion the needs of all institutions fairly. He stated:

New Jersey was very late to invest in public education. New Jersey still had -- one of the few states in the early '80s running teachers' colleges instead of comprehensive public colleges. New Jersey has had a very ambivalent history about investing in public higher education, and the Department [of Higher Education], unfortunately I think, like the Department of Education, was ambivalent, too. On one hand, it saw its role as helping expand and extend missions and institutions, and on the other [the Department seemed to say] 'we've got to keep them on reservation, keep them under control.' The Board and Department were bankrupt in terms of any operating philosophy other than control. And so under the third chancellor's leadership, the Department was bent much more towards how [to] serve the executive branch of government and stay on the good side of the Democratic governor. That more than anything, I think, really politically lead to its demise. The Department wouldn't take any leadership in putting those issues out there, and that's my biggest criticism of the Department.

After 30 years, where is the context for higher education? To talk about the real issues and not things like, well, we spent one million dollars of 60 million dollars. Okay, so what? What do you want to do about it? The real stuff that was need to talk about and to win the public's trust and to get the governor and industry to move higher education. [This the
Department] never wanted to do, because it meant either upsetting labor, or the privates, or Rutgers, or the governor. So [the Department] just [kept] the status quo.

D-1, however, who left state government after the change, thought that the Board and Department had moved toward less control over time and exercised a great deal of leadership. In his opinion, the main event which spurred this lessening of control was not the Autonomy Act of 1986 but that of 1992, which relinquished Board control over specific areas such as presidents' salaries at the state colleges. D-2, who also left state government after restructuring, agreed, commenting that the Board and Department of Higher Education moved to a position of less control. She believed that the creation of a separate Board of Higher Education originally freed the state colleges from the Board of Education. She said:

I think that the state colleges rejoiced in that they had more freedom - and they had had almost no freedom of action. I could always see it. The Commissioner of Education treated the presidents of those state colleges like a superintendent of schools would treat his principals. He saw it as his realm. When [the state] created the Board of Higher Education, the presidents really became presidents. What a difference it makes when a president feels that he or she is in control and has a major administrative responsibility to the institution. I give Ralph Dungan tremendous credit for helping to make that a smooth transition, because it was not easy. Some of those presidents were hesitant, having had somebody telling them what to do
and then suddenly having to take over that responsibility. For some it was very scary; for others it was very welcome.

The independent colleges at first were hesitant, because they'd [never] had [anyone] looking over their shoulders. But as it developed, they saw that they were included in many of the programs, and all of the graduate programs. Frankly, when [the Board] first started, much of the graduate work in every field was done by the independent colleges. Very few of the state colleges had any graduate work, and if they did, it was all primarily in education. So one of the first jobs [the Board] had - and this again is Dungan - was to change the state colleges from teacher education institutions, to multipurpose institutions, to real liberal arts colleges. That in itself is a tremendous contribution… The communication [between the] Board and the administrators in the institutions is [very] delicate. Having once been freed, there were a few of those presidents who, having been free, did not want to be shackled again.

C-2 and C-3 both remarked that the characteristics of bureaucracy seem to have had an inevitable impact on the processes at work in the Department. According to C-3, inequities in the system's handling of the different sectors were perpetuated through budgetary increments or decrements. A-1 commented that, at the institutional level, the Board and Department were seen to be controlling rather than coordinating in specific areas such as strategic planning, the implementation of productivity measures, and Total Quality Management. Finally, G-1 felt that the processes in place at the state level led to what he perceived as stagnation in the development of the Board:
The BHE was usually on the right topics, such as state grants to students, increased use of computers, and growth, but then they would micromanage these processes, which impinged on institutional autonomy. Also, the board members themselves didn’t change. The same people were reappointed term after term - this built inflexibility into the system.

When asked, "What do you think caused those changes?" many respondents commented that change at the Board and Department was mostly driven by the dynamic between the growth of the institutions and what G-1 termed "calcification of the Board of Higher Education" during a period when higher education was simply not a priority for the governor. B-1 saw the institutions as prime movers in the system while the Board resisted their calls for increased autonomy. He said:

The [state] colleges demanded [change]; the Board and the Department studied it and supported it. Publicly, they supported it quite strongly.

Privately, again, they were very ambivalent about it. How can we let those people, you know — we can’t give them the vote all at once. Really, it was that kind of paternalistic attitude. The main actor pushing it other than the [state college] campuses was the governor in the state of New Jersey. Tom Kean said, ‘we’re going to do it,’ and so it got done. It was a transition period over three years, so the campuses got [the] authority to do things like run their own payroll, bank their own moneys, [and] run their own budget.

For the first time they could hire their own presidents without the chancellor’s approval, [and the fact that they previously required the chancellor’s approval was] unheard of nationally in a non-system type of
government situation... the system changed, and the Department did not keep pace with it. You didn't need a 300 person state bureaucracy to manage campuses that could manage themselves. You are going to hear a lot of things, but I will say [that] to me the onus is on the defenders of the old system. Look at the press at the time. The Star-Ledger had front page on this. Look at the press, look at the articles written, a lot of testimony [is] on the public record, but what the opponents of restructuring said was: 'if we let you go higher education will collapse and opportunity would go down the tubes; this patrician -- not right wing, but patrician conservative government is using this as an excuse to cut higher education and take the money away.'

A-1 responded that decreasing resources drove the decisions that led to change as Governors Kean, Florio and their advisors reassessed how to deliver higher education. B-I's comments echoed this idea, but in his opinion scarce resources caused the Department to become proactive in managing change and the institutions reacted to Departmental initiatives. He stated:

I think recognition by Chancellor Hollander that central bureaucracy was not the way a system of higher education should be run. Colleges need educated trustees on each institutional board to strengthen local accountability. There was $1 billion flowing from the state to the institutions; with autonomy comes accountability. The institutions were expected to develop mission statements in support of their budget requests. For example, to apply for Governor Kean’s Challenge Grants, the institutions had to come up with
their plans of how to spend the money. The institutions perceived a certain amount of tension between what was proposed by them and what was granted by the Department and the Board. From a government perspective, there was a need for accountability, and restructuring mandated this.

C-3 observed that policymakers often find it difficult to agree on what should factor into decision making in an environment in which resources shrink as rapidly as they did in the 1980's. He stated:

It's difficult to figure out what the bases ought to be for some of those sorts of decisions. I mean, intuitively you can say that Kean College, [as] a real example, is in some way, shape or form underfunded. It's difficult to figure out why that is and what a reasonable level of funding for [Kean] would be. You know, back in the early '80s, the state ran formula funding which was institutionally [based]. And some of those inequities may have to do with the way that the student[s attended the institutions] at the time. [So],

Stockton is budgeted as if it has probably 500 fewer students than it has. It's grown; it's kept its tuition down, and it's had to be pretty tightly and maybe too tightly managed. I mean, it may actually be too lean. It's very difficult to do an analysis short of just saying that all FTEs should be supporting the same amount per FTE and what you do is fluctuate one way or the other depending on what your FTEs are. It's difficult to do an analysis that says, well, if we want Stockton to grow, therefore we're going to increase its budget five percent a year instead of two percent. It's not easy for [the Office of Management and Budget], [or] the governor [or] Board of Higher
Ed to take that kind of position, because the other institutions that aren’t
growing at that rate scream. [Institutional] presidents [and] vice presidents
for administration compare their budget increases to everybody else’s, and if
it’s not the same percentage, they get all upset. So, it’s not an easy thing to
think about if you’re going to have mission-differentiated institutions,
because the criteria for doing it aren’t very good unless you go back to some
sort of formula that tries to recognize different ratings, different kinds of
students or something like that. You’d need a formula, something
standardized that is perceived as fair, but yet gets at different costs and
different missions. I mean, if you want to have a selective liberal arts
college, which is what Trenton State decided it was going to be — well,
everybody agreed [that] that’s what it was going to be — you make it smaller,
you want it residential, and all those kinds of things have different kinds of
costs. But what it means, then, is probably they have higher spending per
student than other kinds of places, because you shrink the student body and
you didn’t shrink their budget. You know, you’re buying something by
smaller class sizes. They were looking at how to get at how to fund that, as
well as institutions like Kean [and] Stockton, a couple of the colleges that
were probably ‘underfunded’ given their sizes and changes. I guess change
was probably to some extent [Department] driven; to some extent, college
driven. You know these colleges, in technical budget jargon, whined about
their ‘underfunding.’ That’s a technical budget word. I think some of these
sorts of things show up over time. You look at how much one college is
supported by tuition compared to another, something like that. You begin to sort of see patterns and say, 'do we want to try to fix these patterns or not?'

Only D-1 spoke of the Board as the agency that "unleashed creativity at the institutions." Most other respondents thought that the Board acted as a brake on creativity because of the attendant bureaucratic oversight provided by the Department, but D-1 stated:

The institutions had matured. Why less control? Why leadership? The environment higher education faced had become quite turbulent as we left the 1960's, '70's, and '80's when money was no object. There were indications that there were things some institutions could not do without leadership. The Board met a need for unleashing creativity at the institutions. The Board also had to address broad social concerns about access of groups to higher education. There was also the question of what students should pay towards public institutions and what the state should pay. Why was the Board abolished? I think that this was key to the change - the shrinking of tax revenue to higher education. There was a national revolution [in] the funding of higher education, during which the burden shifted from the taxpayers to the students, and financial aid shifted from grants to loans. I think the answer to your question is tied up in that revolution.

Understanding the Commission and Presidents' Council

Respondents were asked their views on why New Jersey chose the coordinating structure it now has, as well as whether they had anticipated the restructuring. Next,
interview participants were asked to describe their perceptions of the Commission on Higher Education and the Presidents' Council in a series of questions similar to those used to create a description of the Board and Department of Higher Education. The respondents were then asked their perceptions of the influence of Commission and Presidents' Council over New Jersey's colleges and universities.

The first question in this portion of the interview was, "What do you think prompted the establishment of the Commission on Higher Education and the Presidents' Council?"

Responses to this question were varied in detail but most respondents mentioned either the perceived lack of need for the Board and Department's oversight function or the interest in the applicability of other state models evinced by the advisors to Governor Whitman, who was new in office and looking for ways to cut government spending.

C-4, C-2, E-1, B-1 and A-1 considered the Commission and Presidents' Council to be the compromise result of the recommendations made by the governor's task force, appointed after the budget announcement. C-4 and C-2 said that, after Whitman's election in 1993, her transition team began to look for savings in state government, at which point the elimination of the Department was proposed. When the governor announced the elimination of the Department in her budget announcement of 1994, she appointed a task force to manage the transition.

This task force, said A-1 and E-1, looked at the coordinating structures of Michigan, Virginia, Indiana, Washington, and Ohio. A-1 pointed out that debate over the use of the Michigan model was effectively silenced when Harold Shapiro, president of Princeton, said on the front page of the Star-Ledger, that the Michigan model would not
work in New Jersey. B-1 recalled that task force members, in looking at other states, believed that systemwide politics were unnecessary and that the Board and Department constituted a make-work layer of bureaucracy, perceived to be disconnected from the institutions.

C-3, C-1, B-1, E-1, and D-2 believed that the level of control exercised by the Board and Department was excessive, particularly after the State College Autonomy Act of 1986. These participants elaborated on their perceptions of the workings of the Board and Department, the climate that had been created since 1986 that made restructuring attractive, and the politics surrounding the event.

E-1 said the state colleges approached the Board for more administrative freedoms after the autonomy measure was enacted but were refused; they then met with Governor Whitman’s transition team. E-1 felt that the state colleges had "real, substantive, philosophical differences with the Board, not just gripes." At first the state colleges were interested in deregulation; E-1 called it "only luck" that the new governor was considering the actual elimination of the Department. He said:

The governor [and us], we came on in and she saw three things in my opinion that really made me call for the Department to be dismantled: one, it was a moribund state agency. It needed reformation. The chancellor and the Board did not have a vision to do that. [The] second reason [was that] they wanted to play angles and stand on the fence and try to please the next governor, so they weren't a very effective state bureaucracy. They were an institution looking for mission. Number [three]: the new governor knew that, and not only that, they were captive
of the prior Democratic governor. I'm not saying that there was anything
unseemly, but they were so worried about keeping their status that they
played too much to Jim Florio. Whitman saw that. There was no great
substance [to Whitman's] new administration. It was: 'I've got to figure
out something to do; I'm lucky I won.' If you look back, people did not
presume that Florio was going to lose. They thought it was going to be a
tight race, but that he would win. So Governor Whitman was looking for
something to do. What does she do? She raised taxes, and she said also
'I'm going to deregulate and have a more laissez-faire approach
government.' And so I'll just be honest, I think she fried the biggest fish
she could find. Higher education has a very small constituency statewide.
Nobody really cares how it's going. People care about what they have
access to, what they pay for it. State level bureaucracies don't deliver
education, colleges do. So the Department and Board were pretty shocked
when they found they didn't really have a constituency.

C-3 said that, in a political sense, the Board was in a bad position with the state
colleges and, after 1986, some were prepared to "behave like colleges rather than state
agencies" and some were not. However, in his opinion, by 1994 the weaker
administrations had made necessary changes and had "caught up" to the institutions that
had been "chafing" under the Board for years. He stated:

The colleges weren't going to defend the Board... [some presidents], for
want of a better term, pushed the envelope of autonomy, I mean Eickhoff
at Trenton State [and] to some extent James at Rowan University, who
probably had visions for their colleges and thought that the Board was in their way. Eickhoff had fought [the Board] over his engineering technology program, a whole big thing, a big fight about that. The Board was [working against Eickhoff] on housing. Eickhoff had visions for Trenton State and did everything he could to implement them. I think some of the other colleges probably could have cared less one way or the other, but they weren't necessarily supporting [the Board]. I think probably over time [the colleges] sort of say: 'well, look, the Board's got all these elaborate processes, the review processes and master planning processes and budget processes and these kinds of things, and all they do is create work. They make us go through hoops and they take us away from whatever we're doing and they're not doing anything particularly useful. And they were making work without any sort of real benefit. I mean, all these things that were happening aren't bringing any more cash onto the campuses, because the budget is tight. And so [the Board's] not doing a very good job of lobbying, so what else good is it?'

C-1 also mentioned that college presidents were quick to support the establishment of a new coordinating structure when asked by Governor Whitman, and noted that public reports mentioned that presidents were merely unopposed to the elimination of the Department, not that they actively supported it. However, she said the situation could have easily become unmanageable, because if the restructuring had not gone through, presidents would have had to report to a Board whose abolition they had advocated. The resulting division would have been destructive to the system.
Meanwhile, the presidents were greatly dissatisfied with a highly regulatory Board. D-2 agreed, saying that one source of tension was probably the Board's sweeping policy pronouncements, not tailor-made to each institution.

F-1 added that the popularity of the new governor was an important factor in the success of the proposal to establish the Commission and Presidents' Council. He said:

We were all fairly confident at the time that she would prevail. It's hard for me to see how she would not prevail. She was newly elected, both houses of the legislature are Republican, I just couldn't envision that the Republican legislative leadership was going to say 'no' to their new governor on this issue. And it was a highly visible issue; Bob Braun helped to make it highly visible. So pretty quickly in my mind, our best bet was to get on board. And I took a lot of heat for it. There were four or five [community] colleges that felt strongly against it.

E-1 and F-1 both recalled that the Presidents' Council was planned before the Commission. According to F-1, the first proposals for a new structure called for complete deregulation and the establishment of the Presidents' Council alone. The governor's task force decided to recommend an additional small state agency after attempting to determine where to house institutional licensing and other legal responsibilities.

E-1's recollection was that the purpose of the President's Council was to delegate responsibility and accountability to the people managing the enterprise, as in Michigan and Ohio. However, unlike Michigan and Ohio, membership on the New Jersey Presidents' Council is extended to all institutional presidents: public and private, two-
and four-year institutions. E-1 said the need for something like the Commission became apparent when the New Jersey Presidents’ Council began to take shape, because the Council alone invited conflict of interest. Faculty with grievances against their institutional administrations would have no venue if the highest authority consisted of other college presidents. G-1 agreed, observing that “all of the institutions trusted public power [in the form of a Commission] over that of college presidents arguing between themselves.”

Respondents were next asked, “Did you anticipate the change? Why did (or did you not) anticipate the change?”

None of the interview respondents anticipated that the governor would announce the elimination of the Board and Department of Higher Education at her budget message of 1994, for a number of reasons. Some had heard different rumors about the governor’s plans, and one, D-1, thought her reappointment of Chancellor Goldberg just prior to the budget announcement meant that the Department would remain unchanged.

C-4 and B-1 knew from their contact with the governor’s transition team that higher education was on her agenda, but they did not expect the announcement. C-2 had heard rumors that the Department of Higher Education was merging with the Department of Education, but not that the Department of Higher Education would be dismantled.

C-4 said he was pleasantly surprised at the governor’s announcement, which he interpreted as evidence that she was attentive to the concerns raised by the institutions. C-4 remembered that the chancellor had been excluded from Cabinet meetings, a situation which deteriorated as the chancellor naturally fought restructuring. In C-4’s
opinion, the chancellor’s resistance to restructuring caused him to sever his ties with state
government.

G-I had speculated at the time that the governor might simply replace the
chancellor, because the Board had refused to implement an eight percent budget cut in
higher education. G-I recalled that the Board argued that their role was not to draft the
budget but to identify priorities. Similarly, B-I thought that Chancellor Goldberg himself
might have precipitated the confrontation by leaking some of the governor’s planned cuts
prematurely. He stated:

There was a transition team study done until Governor Whitman’s election,
which in retrospect planted the seeds of change. Also, by the time the
governor took office, the Office of the Chancellor had decreased, its budget
had been cut, and more downsizing was being contemplated. The chancellor
could see a large cut in funding for higher education coming in order to
balance the state budget; higher education is always an easy target because it
has an alternate source of funding in the form of tuition. The chancellor then
got to the Board of Higher Education’s February meeting and spoke out on
what would happen to New Jersey’s institutions if $100 million were cut
from their funding. However, officially, no decision on that cut had been
made. It was not public. So the chancellor violated a tenet by embarrassing
the governor at that meeting. He tried to take the high road, but he was not
in a position to do that; the administration came up with a revision in the
pension fund to help balance the budget. The feeling was that the future of
the Board and Department of Higher Education would be more of the same:
cuts in staff and funds, not the abolition of the Board and Department.

Apart from B-1, most participants had comments similar to that of F-1, who
expressed his astonishment this way:

We all got called into the governor's inner office at, as I recall, about 2 or 3
o'clock, and the governor came in and said, 'at tonight's budget address, I'm
going to be announcing the elimination of the Department.' You could hear
a pin drop. I think it was a well kept secret. I don't think anybody
anticipated it. I sure didn't. I think we were all stunned by it, just stunned.
And, you know, you have a new governor, a popular governor. It's risky
stuff. You don't want to end up on the wrong side of this issue.

C-2 said the secrecy surrounding the announcement and the language of the
announcement itself caused hurt feelings and resentment that, in her opinion, could have
been avoided. She said:

The way it was done was very, very cruel...and I don't think that was
intended. I think it was the mistake of maybe some lower level people in
the governor's office, who put things into a speech. [The] next day or two
she was in a box and had to recant some of it. Some of the words that she
uttered sounded like -- and they were not these words at all but, you know,
those good for nothing Board of Higher Education member type things.
And these were very extraordinary people for the most part, many of them
college presidents that later supported [restructuring] and everything. That
Board was made up of presidents of colleges as well as lay people and
trustees from the colleges. It was just cruel. So the people in the Department were not only scared to death for their own security, but just hurt that they were told they were good for nothing and hadn’t done anything.

When asked the next question, “The Commission on Higher Education has been given the authority to conduct statewide planning and limited budget review. How do you think the Commission has functioned so far?” most respondents expressed tentative approval of the Commission’s performance in its limited role in statewide planning and budget review, while remarking that evaluations are premature. E-1 remarked that the status of higher education in the state will determine the credibility of the Commission. He said:

The point is that opponents [of restructuring] said opportunity will collapse, funding for higher education will collapse. There will be internecine warfare. Everyone will hire lobbyists. The institutions cannot cooperate. There will be a plethora of new programs. Well, okay, what’s happened? So the Board and the Department had said, ‘these presidents cannot run these institutions on their own; they will dominate the boards; there will be all kinds of political favors and nepotism.’ I mean, none of that has happened. So I’m not saying everything is perfect. There are a lot of things that we need to improve [upon] and change. But I will maintain [that] the arguments put forth by the opponents have not come to pass for the most part. The Commission, I think, has not hit in the right direction. Here’s the good news: they have virtually no regulatory authority, or
limited regulatory authority. They can’t mess up -- they have final say over programs and so forth. They really don’t have much say over the budget. I think very highly of the Commissioner, she’s a very good individual, but I don’t see leadership being provided. One has to be able to envision where this structure and system should go in a dynamic world. The Commission got overburdened with too many mandated studies, [which was the] legislative compromise [when it was established]. The opponents of the discussion made enough noise, and legislators got nervous enough about equal opportunity programs and tuition getting out of control and all those kinds of things, [that] they put in a lot of mandated studies, but I think the Commission did a good job in terms of its immediate credibility. They’re not going to ignore this stuff; it’s the law, [they’re] going to do it. So they spent most of the first year and a half or two years sorting it all out and doing the studies.

D-2 remarked only that the presidents seemed “generally happy” with the Commission, and B-1 noted that the presidents, with more responsibility for system coordination, have opened up more discussion across sectors via the Presidents’ Council.

C-1, C-2, C-3 and C-4 all praised the Commission for its performance in the transitional phase. As stated by C-2, the Commission was committed to highly structured work for its first two years, which served to inhibit its momentum. However, C-1 felt that the Commission was looking for ways to maximize its role.

Almost all of the respondents remarked on the Commission’s perceived neglect of its advocacy function. A-1 commented that advocacy was the “missing piece” of the
Commission's planning function, and F-1's major criticism of the Commission was that it's been "weak on advocacy...they're supposed to do the licensing and master planning but also present the needs of higher education to the legislature and the governor, and many feel they haven't done that strongly enough; they've been too quick to be silent."

C-4 also mentioned the improved interaction between the sectors. He said:

I think it has worked to the extent that it can work in three years. The first thing I'll say is it needs another four or five years to really mature. [It's] in the infancy, the early adolescent stages of this evolution, and it's going to take some time. But there have been some immediate things that have developed that I think are significant. I think the Commission has acted in an appropriate way in most cases of really trying to be a planning and to some extent a coordinating body in dealing with [not only] the statutorily required reporting on issues, but also with other issues that have come up which [they] feel are appropriate, pertinent and timely, and try to and have worked very closely with the Presidents' Council. I think that the creation of a structure which includes a Commission and the Presidents' Council and the Commission staff took some time to get clicking a little bit, and we've still got more clicking to do, but I think it's one that has worked pretty well so far. What has happened, to give you one example, is institutions and sectors which didn't ever talk to one another before now talk to each other. We work together. The system works better with the Presidents' Council and the Commission as a whole than it did before when you had institutions out there on their own, sectors out there kind of
on their own, everybody coming in like spokes to a wheel into the chancellor and the Department, and it was just an unwieldy system, so what it did was gave that focal point a lot of control, so they were the controlling and regulatory center. What's happened is that the Commission has not tried to be controlling. If there's any criticism, and this comes from the institutions a little bit, the Presidents' Council and some on the Commission, that [the Commission] could even be a little bit more specific and a little stronger in some areas where it basically backed off and said, look, the essence of restructuring is all about autonomy. So I think in terms of being a planning body and policy setting body to that extent it's done okay; I think I'd give it probably a B+, maybe an A-. I think there's some areas where we haven't been strong enough. Advocacy is one [such area], and I think that there's a need for more advocacy, more specific advocacy. However, a lot of Commissioners have felt, 'look, that's not our job. We're not going to be the lobbying organization as the old Department and chancellor was.' You know, let the sector organizations do that, which do it well. I think that's a mistake. I think to some extent the Commission definitely needs to be more visible out there, being, using the word 'lobbying organization,' if you will, for the entire enterprise of higher education. This is the largest body that represents all the pieces of it. In addition to the institutions and the sector organizations lobbying the governor's staff, and the legislation and talking about what we need, I think [the Commission] needs to be a little more vocal as an
overall body that feels [it's] in all the sectors in the enterprise. [The Commission] definitely needs to be a little stronger, and instead of just coming up with a policy statement, on the budget for example, [they] should be, I think, advocating a budgetary amount. Now, a lot of Commissioners don't agree with me. They think that's not [their] role, that it smacks a little too much of the old Board and chancellor. And I say, well, not really, because [they're] not telling the institutions (which is what used to happen) what [they're] going to go in for and how much [they're] going to get. [The institutions] tell [the Commission] what they need, and all [they're] doing is taking their message, agreeing with it or modifying it if not in total agreement, and saying, 'okay, governor and legislature, here's what higher education in New Jersey should get. Now, we've said it in a policy statement and we say it in general terms, but we don't go in on a particular budget. If you look at our budget policy statements, they don't talk about numbers; they don't talk about increases.' If there was one thing I would like to see this Commission do is change that attitude. At this point, that's the majority of the Commissioners' opinion of that's the way it should be, so maybe a few of us feel differently.

In C-3's opinion, the Commission's planning function was still nascent in spite of its issuance of a statewide plan. He criticized the plan for its lack of specificity in key areas, particularly resource allocation. He said:

I think the standards are just emerging and therefore we'll know a little bit better how we are doing when we figure out what they are...I'm not sure
that parts of the vision were specific. Parts of the vision are quite specific, and [the Commission] could have done some action on that. Parts of them are kind of applehood and mother pie kinds of statements. We want a system that's among the best in the world and this, that and the other kind of thing. It's not terribly helpful in terms of making decisions, or allocating resources or any of those other kinds of things. The best in the world at what? At research, at instruction; at football? You know, does that mean that Rutgers is going to win the World Cup soccer match single-handedly for the U.S.? We don't know what it would take to be the best in the world, because we don't know what the best in the world is, and so - - and part of the problem with that is some of it's input driven and some of it's outcome or output related. You know, one of the ways to have the best in the world is to only admit the best in world. If there's one element of strategic planning that stands out from other kinds of planning, it's that a strategic plan ends up in a decision about allocations and resources. Everything else -- your scanning, your analysis, your strengths and weaknesses -- if you sort of do all that kind of stuff and then don't say, 'okay, what does that mean for allocation of resources?' it's all a big 'So what.'

G-3 went on to say that another problem for the Commission's planning function is the absence of a standard by which progress can be measured. Under the terms of the restructuring legislation, the state should look to the Commission for the identification of budgetary inconsistencies, rather than the line-by-line recommendations provided by the
Department, to give the governor a sense of how to prioritize spending. This lack of precision in the definition of the planning function has led the Commission to an independent exploration of its limitations. C-1 described the evolution of the Commission as a planning body this way:

In addition to the statewide master plan, there have been numerous other studies that the Commission has completed in its first two years in existence. [The Commission] did a two year interim study of restructuring, how's it going, are there changes that need to be made, those kinds of things. And the Commission was somewhat criticized in that [study] that they weren't doing enough planning. But shortly after that survey went out, [the Commission] issued an accountability report, which is here, the statewide plan is now out there, and [the Commission] also completed this two year interim study, plus a host of other, smaller studies on more focused topics that were completed. I should add to that, while it's a 10 year plan, [it's] considered a rolling plan. [The Commission] will review annually what has been achieved that year relative to the plan, if there are adjustments that need to be made in it, so it's very much of a living document. It's not something that's just issued and then you wait 10 years to see what's happening. So [the plan] will be evaluated annually during that period and [the Commission] will be making any changes that the environment indicates should be made.

Interview participants were next asked, "Do you think the Commission has assumed any other functions?" The majority of respondents said they saw no evidence of any increase in the Commission's authority. B-1 noted that the enabling legislation permits
the Commission to assume other functions but he believed that the Commission had made a conscious effort not to assume more control. B-1 also thought that the Presidents' Council was interested in being an integral part of the new coordinating process, without a chancellor overseeing them. D-2 speculated that institutions are likely to be unwilling to relinquish any of their new freedoms to a coordinating body that had begun to encroach upon their autonomy. C-2 thought that the Commission, after conducting its mandated studies, is now in a position to identify key initiatives. She said:

I don't think [the Commission is] assuming any other functions. It's still state wide planning — state policy development and advocacy which is also another major thing they were asked to do. I don't think any of that will change. I think that the agency is more in the position to shape policy. The Commission didn't ask for some programs that they now administer. For instance, College Bound was given to the Department of Ed. They took it for a year; they gave it back, and the Commission's got it. Some other things were given to the Presidents' Council, [and] they don't want to do them. If [a program is] enacted and is stuck at the Commission, it's theirs. So, there are some additional responsibilities they've picked up, but not — it's not that they go reaching out there and grabbing. It's that somebody has given the Commission something else to do.

The Commission had released two statewide accountability reports at the time of these interviews, a function that was not in its original charge. C-3 viewed these reports as necessary, calling them "part of the tradeoff" for institutional autonomy. He felt that
the institutions welcomed the reports and are looking to the Commission to "sort of reassert a primary role in terms of keeping higher education visible in the public eye."

F-1 had an opposing view; he thought that the accountability reports were a good example of the Commission overstepping its bounds.

C-4 believed that the Commission has developed a sensitivity to institutional mission, a concern he said has come to the forefront in higher education since the Commission's original charge. He said:

There is in the legislation and in the current rules that govern institutions [that a] change of mission must be approved by the Commission. If a program is going to be approved that is not in total compliance with the current mission, then there is an exception. I don't know exactly how it works, but very definitely that has to come before the Commission. So the Commission is very concerned about -- not concerned in a negative way, but very sensitive to the missions of institutions, and if an institution is going to change its mission, then I believe there is a process where it goes through the Presidents' Council first, and then it comes to the Commission for approval.

C-1 stated that she did not believe that the Commission is involved in anything outside the realm of policy recommendations, and that the Commission is fulfilling its legislated responsibilities. She gave an illustration of a circumstance under which the Commission might have been accused of overstepping its bounds but, in her opinion, was not:
Another responsibility of the Commission [is to] review petitions if a new institution is planning to be formed. They have to petition the Commission and they have to meet certain criteria in order to be able to do that. Earlier, I guess it was last year sometime, Cape May County, which is one of the few counties that doesn't have a community college, had petitioned for a community college, and the Commission turned down their request on the basis that they didn't think they had the critical mass of students or the fiscal support necessary to support a two-year college, but that there definitely was a need for more services in the area. And the Commission has tried to be instrumental in seeing that those services are provided by some other institution, maybe through regionalization or that sort of thing.

The next question was, "The Presidents' Council has responsibility for the program review process. How do you think the Council has functioned so far?" The speed with which the Presidents' Council has reviewed and approved new program proposals left by the Department was the main issue here, but the significance of the Council's quick work was interpreted differently by the respondents according to their former association with the Department. C-4, C-3, F-1, C-1 and A-1 thought that the Council's work proved that the Department had been too slow, too controlling. C-4 said:

In terms of program review, I think they're doing a good job. A lot of what the Department used to do, now the Presidents' Council is doing. I can't think of a better way, and it seems to be working. I haven't heard any complaints across sectors or across institutions where a program review or a new program [has been proposed]. I think it's a good process. There is a
committee of the Presidents' Council that deals with that. All presidents can have input into that. But what better way than to have a self-policing practice like that that says, 'here’s a program you have or you want to add which is really too competitive, overlapping or redundant in [your] region and the student population you service. It's something we're not going to recommend to the Commission that we adopt or that we leave in place.' And it seems to be working pretty well. There have been some discussions at Commission meetings, and I know maybe at some committee meetings where there has been some disagreement, because particular institutions thought, 'no, this [new program] is separate from whatever goes on.' But it seems that they have all been resolved pretty satisfactorily for most people. You're never going to satisfy everyone and every institution all the time. But by and large, I say they're getting [along], from where I sit.

C-3 also thought that the Presidents' Council cleared the Department's backlog of program approvals extremely quickly, but said the speed with which the Presidents' Council worked and the fact that no new programs have been turned down did not necessarily signify a lack of discussion or deliberation over each proposal. He believed that the presidents, acting in institutional self-interest, would bargain with each other to avoid unnecessary program duplication. C-3 also believed that the presidents would police themselves well in order to keep control of the program review function.

F-1, who came from the community college sector, thought that the speed with which new programs are now approved is a positive outcome of restructuring. However, he did
not think that the Presidents' Council has yet developed a way to handle policy issues
other than program review. He remarked:

I think the jury is still out on whether or not a group of presidents can come
to grips with really tough issues. Here's one: which of the four year
institutions should offer doctorate programs? Rutgers, the flagship
university, kind of considers [doctoral study to be] primarily its turf. There
are other the state colleges, [like] Montclair State, [that have] upgraded, so
to speak, to a university. That's a flash point, I think. Can the Presidents'
Council reach consensus on a tough issue like that? Another [issue] that is
of greatest interest to us [that of] transfer. Transfer policies don't work very
well in New Jersey. If you take [the] general education portion of your
Associate's degree, it ought to transfer unequivocally, no questions asked.
In most states it does. In New Jersey, we don't have a statewide agreement.
We have hundreds of college-to-college agreements. [For example,] each
[community] college has an articulation agreement with Seton Hall, and
we've got to periodically revise [those agreements]. It takes a lot of time and
energy, and the whole system ought to be replaced with a statewide
agreement. [The community colleges] proposed to the Presidents' Council
that a statewide transfer policy be established, and it was on the agenda, but
they didn't have a quorum, so it will be on the agenda again. That's another
flash point. Clearly community colleges want stronger transfer policies.
Some of the four year colleges [want to] come to us and tell us what courses
we can accept. So consensus building is not tight, and that's what the new
system is about whether it's the Presidents' Council or [any other body]. We
work hard to develop consensus. If you don't get something that's [agreed
upon unanimously], then there's always a chance that one president will go
off as the Lone Ranger to the legislature and the governor.

C-1 also thought that the swift work of the Presidents' Council was a good
development. She said the Presidents' Council was in fact working to address policy
issues in a spirit of cooperation with the Commission. She said:

I think they have been very serious about [program review]. I think they
have taken it very seriously and realized that a lot of responsibility rests on
their shoulders to do this. Thus far, the law says that they must refer to the
Commission any programs that are overly costly, overly duplicative or
outside the mission of the institution. And [the Commission has] had to
review, I think, one Master's degree as a result of that requirement. There
are some Doctoral degrees that will be coming forward. [The Commission
has] recently approved some guidelines for university designation and I
understand in the next year there will also be some institutions coming
forward for that designation. [The Commission has] already had some
conversations with some institutions about that. [However] Rutgers as a
doctoral granting institution has expressed strong feelings that there
shouldn't be a number of doctoral granting institutions. Doctoral education
is so expensive to deliver that a proliferation of doctoral degrees would be
very costly for the state and could also raise questions about quality [and]
whether [an institution] had sufficient resources to deliver the program. The
Commission has taken the position that any institution should have the right to demonstrate their ability to do this. It shouldn't be [reserved] only [for] those that now have that authority, but [the Commission] also said that this will be a very rigorous process. [Every] proposal [won't] necessarily get approved. [The institutions] will have to demonstrate that there is a need and that they have long term resources to support such a program.

A-1, who came from the independent sector, thought that the Presidents' Council had done a "outstanding job" in clearing the Board's backlog of program approvals. He commented that one cause of delay that led to the backlog was turf battles, waged particularly in nursing education. A-1 said the creation of the Presidents' Council put decisions properly in the hands of the presidents, which led to quick resolution. In A-1's opinion, the volume of work done by the Presidents' Council was proof that it was working well.

C-2, and B-1 believed that the Department had shown caution and good judgment regarding program review and that the Council was too quick to approve programs. C-2 said that the Presidents' Council is handling the program review process well, but that the process might not have provided what was intended by the legislation. She found that the Presidents' Council's swift clearing of the backlog of new program requests, left by the Department, to be unsettling. She stated:

I can't believe that not one of [the new programs] is overly duplicative or overly costly, in which case [the Presidents' Council is] supposed to send [the program] to the Commission for approval, because they just do reviews. So they're in this strange land of review; no power, review. I
think they've established a great process to do what they were meant to do. But there's no teeth there, and they didn't want teeth in the sense that they didn't want to establish a new Department which had more control over the institution's decision making than it should. At the same time, [the Commission is] beginning to be criticized. Is [this new program] going to require any additional resources? One of the [criteria for approval is] that it should not require any additional resources. Well, we know that [extra resources are] required. They're going to the legislature to get extra money. With the capacity study going on, everybody understands that [the Commission was] told to look at these things. I think it would have been wiser from the beginning to say [to the Presidents' Council]: 'the law says you have to look at whether or not we should close institutions, open more, merge them, whether or not you have programs in the right places. Until you decide that, let's just put a freeze on things unless there is some dire need'...and I think the question, too, is: What is in the best interest of the state in terms of higher education statewide? In need and demands and those kinds of things? Do institutions acting in their self interest serve that need? Will market forces work in higher education I think is the question, and I think it's a harsh way to find that out when the students are [paying]. That's my answer about the review process. I think there's something missing, and I can't tell you what the answer is, but I believe it's something [the Commission] needs to work on with the Presidents' Council.
B-1 remarked that he also thought that the program review function was relatively weak as conducted by the Presidents' Council because most programs have "flown through" the process. B-1 went on to say that the President's Council does not research demonstrated need and availability of resources for new programs, in the manner of the Board. He predicted that the Commission may call for a study of program redundancy in the system as resources shrink. G-1 said he did not notice any impact of the Presidents' Council's work at the institutional level.

B-1 expressed some disappointment with what he called the lack of leadership displayed by the Presidents' Council. B-1 contended that the Presidents' Council is doing good work but not taking the opportunity to propel New Jersey higher education forward. He said:

I have disappointments. [The state] put them in charge. Educators would kill for the opportunity. [The state] said, 'you have now very little state level oversight. You have the [restructuring] to do two things: you set the standards, define the system; and you have the freedom to advocate anything you want. No holds barred.' And I still [know] too many presidents who, over the coffee klatch at the water fountain, [say], 'if only, if only.' That's the whiniest, wimpiest stuff I ever heard in my life, and I have no time for that. So what is disappointing is that the presidents [who are complaining] are not only chief executives, but they're the visionaries, they're the professionals. If they need to complain, they need to complain about their own leadership. I don't mean to be hyper-critical. Overall, I'd give them a B. But they haven't done an A job, meaning [to] move this
whole enterprise to another level. What is the plan? What is the vision? What is it we need to do? Are you out there, not beating up on people, but convincing, persuading the governor, business leaders, labor leaders?

[The Presidents' Council is operating] on a micro level, but there is still no macro vision or plan for what they want to do about higher education as a collective. Now, I think there is a reason for that. The good news [is that] I give them an A because the infighting, ugliness and contention among the presidents that was predicted is just not the case. Why is it they haven't moved quicker to define a vision and a direction for higher education? It's because they don't have a staff, and I'm really disappointed by that. It was envisioned by the proponents. It was envisioned by the Study Commission. It was [agreed upon] by all that the [Presidents' Council would] have a means [by which] to assess themselves dues and hire a permanent staff, and I don't know of any complex organization with any mission that can work without a staff. I mean [at least] a couple of people. They don't have it. I think that's a critical error, if they continue. I mean, I'm surprised they have gone this far.

Responses to the next question, "Do you think the Council has assumed any other functions?" were mixed. C-2 and G-1 did not think that the Council was doing anything beyond its charge, but C-3 and A-1 thought that the Presidents' Council might need to assume some of the advocacy role that seems to be absent. As A-1 put it:

There's an advocacy need that [the Presidents' Council] haven't addressed yet either. They had an advocacy committee last year; it really didn't
accomplish anything. But they've done a lot in the area of accountability, under the leadership of Dr. Vera King Farris at Richard Stockton College of New Jersey. They've probably rolled out an accountability model that is far ahead of any other state in the nation, and now that group is hard at work on its second go around, and I would say that the only place where the Presidents' Council has been weak is the advocacy piece. If state resources were not declining, we'd probably be less critical on the advocacy front, but those two things are closely linked.

C-3 also remarked that the Presidents' Council works on preliminary reviews of recommendations and changes in institution status, and in his opinion, the Council was preparing to conduct more of an advocate's role. C-1 pointed out that, in addition to program review, the Presidents' Council informs and advises the Commission on almost any policy under consideration by the Commission, such as university designation, and that there is a frequent and considerable exchange of information between the two groups. B-1 also said the Presidents' Council is working on better coordination of the system, such as articulation agreements, sharing of resources, and budget requests to the governor.

The next question was, "What influence do you think the Commission on Higher Education and Presidents' Council have over New Jersey institutions?" Responses to this question were also mixed. D-1, C-4, and C-2 observed that the creation of the Council has allowed institutional residents to achieve a level of coordination and cooperation that was not possible under the Board and Department. D-2 interpreted the question as an inquiry into how the new structure might benefit the state. She responded that the
greatest benefit of the new structure is that college and university presidents can get a sense of how their institutions fit into the statewide network of institutions, which might lessen the impact of narrow self interest. She stated:

I think that it has helped the presidents to be more open to each other, since they are in charge. I think that sometimes, when the Board was responsible for evaluation, the presidents were apprehensive and fearful that we might invade their territory or that we might let one institution do something that another wanted to do. Now they recognize somewhat why we were hesitant about over-duplication in certain fields of specialization. When you can really look at the picture holistically, then you can realize that in a state this size you can’t have ten institutions offering, say, a [graduate degree] in anthropology. How many people are going to want to get a doctorate in this? You know what I mean; let’s be real. They’re going to have to sit down and look at each other, and at the whole picture, and they haven’t done that in the same way before because that had been a responsibility which the Board had assumed. I think the fact that the presidents now have to sit down and look not only at themselves but at each other, and at the whole, has helped to strengthen their objectivity and their sensitivity to the needs of the state.

C-4 praised the effect that the Presidents’ Council is having over institutional interaction. In C-4's opinion, the Department structure exacerbated tensions and misunderstandings between institutions and sectors, particularly between public and
private institutions. It was a revelation to C-4 that institutions in his sector shared any
issues in common with others. He said:

It has really opened up a dialogue, and immediately opened up a dialogue,
which allowed us to suddenly realize we had a lot of common concerns;
we had a lot of common goals; there was a way of working together that
we could really accomplish things, and this is what the old Department
basically precluded us all from doing. Again, there was a road block set
up. We couldn't converse. I'm sure we could have, but basically we
couldn't. What this whole new process has done with the Presidents'
Council and Commission is that it's opened up our eyes. Presidents of
different institutions now -- I can give you examples where the state
colleges have supported a community college initiative. That would have
be unheard of in the old structure. Or a community college will support a
state college issue. It used to be, 'what do we care? We've got to fight for
ourselves.' Because we felt that we were by ourselves. Once we were
able to talk to other sectors about our concerns, and while there are some
differences just due to the nature of the types of institutions we are,
suddenly it was okay. We're part of the same bigger picture here, and
what's good for us is probably going to be good for them, and let's talk
about it, and sure enough, we formed a lot of alliances. So it's been a very
positive experience.
C-2 also thought that the new atmosphere of institutional cooperation was of benefit to the state. She said:

I think it's a good influence. I think that all the institutions want to make this work. It's to their advantage to have a system that's strong and healthy and working together. I think when the Commission -- when the Department went down, there was a lot of anger, personality conflicts, resentment of the Department; therefore, you know, we've got to be nice to your face, but we wish you weren't here, Big Brother. So I think that the atmosphere and the influence is much better, because they're all pulling together; I think they all want it to work. And in the end, I think the institutions that felt they were getting what they wanted and were felt the most favored were kind of rolling along, and the others were very unhappy and sometimes those changed. There was a lot of dissatisfaction. So I think the influence is there, and it's good influence, because it's got them working together toward an end.

In responding to this question, C-3 spoke about the level of influence exercised by the Commission rather than that of the Presidents' Council. He expressed discomfort with the Commission's lack authority over the institutions relative to that of the Department. He thought that a director of the Commission might be able to pursue a given policy goal using personal influence and persuasion, but that the state had taken a step backward in relinquishing so much authority over the institutions. F-1 viewed the Commission and Presidents' Council lack of formal authority as an opportunity for progress at the community college level. He said:
Well, I think the Commission is having very little influence on funding issues. And frankly I would say the same for the Presidents' Council. I don't think either has gotten very well organized to date. They are both doing good work in a lot of ways, but [not] in terms of major policy issues. On a scale of one to 10, maybe the Presidents' Council is a 6, and the Commission is 4, weaker than the Department was. This is why it's good for community colleges, because it opens up the opportunity for 19 colleges to really get in there and advocate for our needs through this council. We have had wonderful success in doing that, especially this past year. It kind of levels the playing field. You don't have to fight off the chancellor and the Board anymore. We don't really fight off the Commission because they're not really a player on the funding issues. The Presidents' Council as a council is not that much of a player. We do have to work with the president of Rutgers, and other presidents, but while some would see that as problematic, we see it as positive because it enables us to get our 19 colleges organized, highly visible and probably enjoy more success with the legislature and governor because of that.

C-1, however, believed that thought that the Commission had a more central role in the operation of the institutions than did C-3 or F-1. C-1 said:

Certainly while institutions under the new Act have a great deal more autonomy in decision making and their direction than they did in the past, I still think that, through the policies [it] approves and promulgates, the Commission has an impact on how institutions operate and how those
boards make decisions about more specific kinds of things on that campus. So I think that you might think of it as the Commission having sort of mega responsibility, with the boards having more meta responsibility [for] what gets passed down to them from the Commission's overarching policies.

Next, participants were asked, “How has the establishment of the Commission on Higher Education and the Presidents’ Council affected the relationships between New Jersey institutions?” Most respondents repeated their comments on the marked improvement in inter-institutional cooperation since the creation of the Council. C-2 reiterated her belief that institutions now see collaborative and partnership opportunities that previous resentment and snobbery between sectors had obscured. B-1, however, felt that the institutions are taking advantage of their opportunity to collaborate because the new structure encourages cooperation. He said:

The relationships between New Jersey’s institutions have been strengthened as a result of the restructuring. The governor expects them to work together more closely, face to face. Under the Board of Higher Education, the end result was often that things didn’t happen rather than happen, because the Board didn’t have a way of implementing institutional cooperation. In the last two years, all kinds of articulation agreements have been developed, when one of the stated goals of the Department of Higher Education had been to foster articulation between the institutions.

In an opposing view, C-3 thought more institutions pursuing the same pool of students might lead to more division, not more collaboration. In C-3’s opinion, an
important factor affecting the relationships between the institutions was mission creep, now relatively unchecked, blurring the lines between the sectors.

G-1 thought more interaction among the presidents was an advancement in coordination, and C-1 said that, prior to restructuring, almost all of the higher education "conversation" flowed through the Board and Department, not across sectors.

Evaluating the Transition

In this portion of the interview, participants were asked whether they approved or disapproved of restructuring, and what their input might have been had they been able to advise policymakers at the time of the transition. First, participants were asked, "Do you consider the change from a Board and Department of Higher Education to a Commission on Higher Education and Presidents' Council in 1994 to be positive or negative? Why?"

Overall, interview participants thought restructuring was either a positive change, or perceived both positive and negative aspects to the new coordinating structure. C-4, C-2, F-1, and C-1 thought restructuring was a good change for the state. C-4 was very pleased, and said that before restructuring the chancellor controlled institutional resources although those moneys were appropriated by the legislature and recommended by the governor. The institutions were therefore required to lobby the chancellor. C-4 thought that the old system did not serve the best interests of students in that the attendant bureaucratic processes hindered institutional and sector planning.

C-2 also thought that the state's move away from excessive bureaucracy was a positive change, and remarked that, while the program review process remains imperfect,
it had also been imperfect at the Department. C-2 again commented favorably on the
improved relationships between the institutions, saying:

The relationship between the institutions is excellent compared to what it
was; that's a big plus. And I think the overall effort to work together to
make the system better is just a great improvement. I mean, I'm working
with the same creative people now I worked with before. There were
committees of presidents from different sectors doing different things like
the long range plan, and they were the same people, but a lot of them were
there begrudgingly; a lot of them have separate agendas, and at this point
it's a big difference. That's what happens when you get people working
toward the same thing.

F-1 viewed the change as a positive one for community colleges but noted that the
structure is still experimental. He commented that "if one of these contentious issues
flares up and if the Presidents' Council can't deal with it effectively, then the whole thing
could blow up." C-1 also said that restructuring was "very positive" and that observers
have become increasingly supportive of the Commission since its inception. She
remarked that the state government had received calls from state agencies in South
Carolina, Arkansas, Ohio, and Puerto Rico, which were also considering restructuring.

C-3, A-1, and E-1 commented that there were both benefits and drawbacks to
restructuring. C-3 said the coordinating environment now may make institutions more
competitive nationally as they pursue the top 40 percent of higher school graduates, but
expressed concern that institutions are not now compelled to serve "the bottom 40
percent." C-3 did not see too many four-year institutions, aside from those committed to
open access, concerned with the education of less academically prepared students as they exceed mission and upgrade to universities.

B-1 agreed with C-3 that mission creep might become a problem as colleges raid each others' populations without the Department's oversight. A-1 also thought that the granting of autonomy to the public institutions is good for higher education, but that the absence of a strong central authority now leaves the system open to stakeholders willing to take advantage of the new structure. He said:

There are some people who try to put up an agenda that perhaps they've had in mind for years but couldn't get through the bureaucracy but now that that's been eliminated...so there are special interests that have prevailed in certain areas that would not have been able to prevail if the bureaucracy still existed. The second part of that is the state Board of Higher Education and the Department of Higher Education were advocates in the budget battle each year in Trenton. Even though they were part of the 'inside,' they made sure that the higher education community got its due. Since the Presidents' Council and the Commission have not yet become effective in the advocacy arena, it's a negative rather than a positive. So that's what I'm saying - there are some positive things that grew out of it; there are some negative things - if they could fix the advocacy piece, it would be a lot more positive than negative.
A-1 and B-1 called the Office of Student Assistance "much more professional" now than under the Department, saying that the removal of student assistance from the coordinating structure was of great benefit to the students.

B-1 also saw strengths as well as weaknesses associated with restructuring. He stated:

[The] state college and university sector is ahead. The two year people I think are way ahead. The universities for the most part are in the same position, except for NJIT. NJIT also was a pet of the Department. [Now] NJIT is another state college. It's a specialized state college, [and] in the university sector, NJIT has lost access and visibility, [not] educationally. So that's my kind of ranking of the order of change. The proponents [of the restructuring] are probably going to tell you that overall it's a plus. The real test isn't the structure itself. It's what happens to the institutions and what happens to higher education in New Jersey. And the structure can help or hinder that. But I would measure not so much by the Commission or Presidents' Council; I would look at the institutions and see how they're doing. If they're prospering, I would at least conclude that the structure isn't hindering them too much. Overall it's working a lot better than a lot of people thought it would. Whether it works well for New Jersey in the long haul, I don't know. If it doesn't, maybe it should go the same way as the Department. But I think overall it's opened up the issues that we talk about in the community and that we're [now] free to talk about without the coercion of regulation and bureaucratic politics. For example: the old
question, who goes [to college]; who pays [for it]? I mean, what's the rationale for the budget? How much money should go [where] and for what purpose? What do we do for student financial aid? Can we continue to grow? The Department covered up all those macro-policy questions, because maintenance of the status quo was a business. Do I overall give the structure an A? No. I might give it a B. Things are working better than they did. Not everybody is going to tell you that. I don't want to backtrack and be negative of the Department, but what I am disappointed in the governor not [making] higher education a much higher priority. It's hasn't been one of her top priorities. It's not just this governor. In my opinion, it's in New Jersey. Jim Florio didn't make it a priority. Of course, Tom Kean did, and he had money expended. But without the governor making higher education the top three or four priorities, higher education just doesn't have a voice. We're still very ambivalent about it. [Is] Rutgers really the state university? Do we really want the state colleges? Do we really want to grow? The Commission is doing a moderately decent job of what they're supposed to do, kind of tending store day to day, but it has no credibility with the legislature, no real credibility with the governor, no real credibility with the press. It hasn't grown. And if it continues, it's just going to be relatively small [and] not very influential, like a lot of coordinating commissions in other states. And those who really advocated and were proponents early on at the creation of this stuff, what [was] envisioned was a very strong, intense policy research agency and advocate
for higher education [which] was willing to take on the community, the
governor, the legislature on principle and on knowledge. We don't have
that. And a Presidents' Council [which] would be willing, not to take on
the Commission and the governor, but [to] really articulate what we want
New Jersey higher education to be, and we don't have that. Now, I guess
that one could call that a failing. But if you ask me [if we're] better or
worse off than we were, [we're] a lot better off. Because what we had was
no vision, no plan, no advocacy, coercion and regulation. So now at least
the institutions are much freer to do their thing and services are being
rendered. And in New Jersey, [the institutions] have a vision and plan for
higher education. And it's no worse off than it was five years ago. But we
are missing a great opportunity. I don't believe that we have fulfilled yet
what was envisioned by this restructuring and I think that all parties share
some responsibility for that.

G-1, D-2, and D-1 were not as supportive of restructuring. G-1 thought the
change was a negative one because of "the way it was done. There was no real debate, it
was all politics." D-2 said it was "too short a time to tell...the presidents are hardly
accustomed to their freedom." She compared the Presidents' Council budget decision-
making process unfavorably to that of the Board, but remarked that she found no college
presidents who "wished the Board were back." D-2 also noted that, in its budget
recommendations to the legislature, the Board would have in mind the entire higher
education community and the understanding that extra resources to one institution meant
scarcity for another, but now, "each institution wants all it can get. They’re not as careful about sharing the loot... that’s one of the great weaknesses at this time."

D-1 refused to comment on whether restructuring was positive or negative, saying that the answer to the question would require a decision on "measures of excellence, such as class size, percentage of faculty that are adjuncts, graduation rates, and access, then assess people’s perceptions of how well higher education is doing versus these objective measures."

The next question, "What would you have told policymakers at the time if you could?" also prompted mixed responses. C-4, F-1, and A-1, who had an institutional or sector level perspective, expressed satisfaction with restructuring and would not have suggested anything to the transition team, except for the missing advocacy function. A-1, from the independent sector, remarked:

Well, [I wouldn't have told] so much the policymakers [but] colleagues in the higher education community to do the advocacy piece first. Because there’s a chance here - and it's probably a very good chance - that the governor’s office and the folks in the executive branch of the government really don’t want us to be successful in doing advocacy, and that perhaps the whole restructuring, part of the reason for doing it was to silence the advocates. That may be a reality because revenue is shorter and people are not open to paying taxes - forget about more, they don’t even want to pay the current level of taxes.

G-1, C-2, and C-3 would have suggested that the governor and transition team approach restructuring more carefully, and with more respect for process. G-1, who no
longer works in state government, opined that the decision to restructure was political, rather than a policy decision. As such, he would have cautioned policymakers to be aware of the risk involved, since "Trenton still controls the budget." C-2, coming from the perspective of the Board and Department, said emphatically that she would not have announced the elimination of the Department in the same manner as the governor, and she would have insisted on more clarity regarding the goals of program review. D-2, who also came from a position in the Board and Department structure, said that she had had the opportunity to tell the governor that cooperation between institutions should be the primary goal of higher education coordination, no matter the structure. In D-2's opinion, over-duplication of programs would weaken the entire system, and she expressed this opinion to the governor and her advisors.

C-3 said he would have cautioned policymakers not to be overly confident in the efficiency of a deregulated system. He said:

We think that the market makes the best decisions and 'we' meaning policymakers in both parties these days tend to ignore the fact that markets can be very inefficient over long periods of time while they sort themselves out. The inefficiency of central planning may not always be greater than the inefficiencies of the market or market failures...I really think that there's a trade off, and I'm not sure that we really thought as a state a lot in the last decade about what the tradeoffs have been.

E-1, who worked in the state college sector, would not have required the new Commission to conduct studies that took years to complete, which he said were mandated solely to appease the opponents of restructuring. In E-1's opinion, the obvious
conclusions of some of the studies damaged the credibility of the Commission. He stated:

I would [not] have had the legislation load these people with all these make believe studies, because the bill [was] going to pass anyway. It was the legislature throwing a bone to opponents who were worried about some things. And so [the legislature said]: ‘well, we’ll have studies; what do you need? Let us study ad nauseum. Let us study whether or not state colleges should have the right to bargain locally. There’s no other education[al] entity [besides the state colleges] in the state of New Jersey that can’t negotiate their own contracts. Every school, every college and university [can] but the state colleges. It goes back to [that] paternalism that wouldn’t let state colleges off the reservation because they were old teacher’s colleges. There wasn’t any policy rationale for it.

Labor was opposed to restructuring. When [organized labor] lobbied the legislature, the legislature wasn’t going to [abandon] restructuring but they said, ‘okay, we’ll [authorize] a study on your relationship with the state colleges. Well, that was dumb; it was useless. So the Commission wasted a year studying, and guess what they found? They found that change is needed, but we need to take some time to do it. Now, come on. [The state colleges] said ‘you wasted our time; the study is dumb; we’re going to go to the governor and legislature and advocate [that] we want change now, yesterday, thank you very much. And [the
Commission] just looked stupid. So anyway, I think that was unfair for a fledgling organization, and I think that's one thing I would have changed.

In terms of vision, I would have asked the governor to stick with the issue. She walked away from the issue. I would say: 'Governor, you pulled off a bigger victory than you know. You can gain a national reputation for this. Stick with the issue.'

The next question, "What effect do you think the Commission and Presidents' Council is likely to have over New Jersey institutions in the future?", provoked a variety of opinions and speculation by the participants. C-2 thought that, if the program review function could be more rigorous, the new structure could have a positive effect on the state. She also felt that the Commission and Presidents' Council, if allowed to develop and adjust, would be the kind of coordinating agency that is welcomed by the institutions. She said:

I think, again, we're in an evolutionary process. I think the structure is a pretty sound one. As far as how it relates with the institutions, again, there is going to be a continued evolution of and maybe some finesse required to really begin to get that in total sync where everybody is happy. And I don't know that everybody will ever be happy. Like anything, if you've got 50 some odd institutions in the state and 45 of them are happy or relatively pleased, that's pretty good.

C-3 thought that the Commission is too young for analysis, but speculated that either the Commission or the Presidents' Council might need to play a greater role in directing institutional growth, possibly using incentive grant funding. E-1 felt that the
Commission could have a benevolent effect on the state's colleges and universities if it becomes more proactive. He said:

I think a lot depends on the priority of the governor, not on what [the Commission and Presidents' Council] want to do. I think they could have a big effect. If [higher education] remains where it is, which is not a very high priority, then I think they're going to have to step up to the plate. The Presidents' Council has got to get a staff to help give them a vision and a plan and follow up on it. [The] Commission, now that it has moved from its mandated studies and stuff, it's got to catch its breath and see that [they're] not just this passive agency, not just here to wait and see what the governor say[s]; what do the presidents say? What does the legislature say? We should help create policy. That's what they have to do, and I think that they have the means to do it. No one is holding them down.

But I would hope there would be a mix of all three: that the next governor makes higher education a high priority, the Presidents' Council and the Commission get [their] act[s] together, so to speak. In the meantime, look what's going on. I think there's another great positive story here. Over the four years, in a not-so-great budget environment, [the institutions] have been able to advocate their interests and their needs without being shut up, without offending the governor. I don't say everybody's happy, but they have been able to do it. New programs have been approved. Some [new programs] have been stopped without introducing warfare and ugliness.

The Commission has exercised its authorities, again without being
attacked, without disarray in the community. Institutions have become universities. I mean, there's a lot. [There have been more] grants and gifts to institutions. So I think there has been, if not flourishing, development in the systems and institutions have moved on. The structure has assisted and not hindered that. And I think that's pretty good. My disappointment is that we're not doing as much as we could be. So some of the burden for coordination and advocacy has fallen to the State College Governing Boards Association and the Community College Commission. And Whitman, I think, knew that. She figured these people out -- here's what she found. [The institutions were] not going to collapse. And she figured out that the presidents and the trustees were smart enough to find a way to make stuff work. The problem with the Commission is not a lack of openness or interest or concern, but there certainly is some lack of definition, lack of vision. And it's not a lack of follow through. I think they are spinning their wheels in the wrong direction. And again, I think that they look a lot like a lot of other mediocre state-level commissions. They're not an outstanding one, I can say that. They're not a bad one, but there's nothing special about them. It's not a structural problem. I think we should be number one in a minute in the idea market. There should be no one in the state of New Jersey who has a [more] clear outline of what higher education needs to be and needs to do for the state of New Jersey than the Commission.
D-2 wished that the office of director of the Commission had the authority of the chancellor's office, but felt that the Presidents' Council and the Commission will be at the center of any major proposed changes, such as new institutions. A-1 predicted that more colleges would explore the option of gaining university status, now that the coordinating environment can support change. B-1 thought that the main effect of restructuring would be to broaden the discussion of higher education within state government. He said:

As problems surface, they’ll be dealt with; they’re looking at new approaches. The Board of Higher Education was not the only way to coordinate the system. There are better, less expensive ways to do this than collecting boxes of data that are never looked at. There’s a dynamic set up now. As issues emerge, the structure will adapt. In the 1980’s, the Board of Higher Education had to deal with capital investments, minority enrollments, and things of that nature. They could really force issues through their control of the budget. On the other hand, the allocation of resources is more politicized now. The Treasury is subject to other demands, which puts higher education in a bigger arena, competing with other state interests. Higher education had a public platform in the Board. I think a major point of tension will concern how much advocacy for higher education the new Commission can engage in when the governor wants to limit costs.

G-1 was reluctant to speculate, and said that, since the governor who implemented restructuring is still in office, higher education stakeholders might "tread lightly" and not exercise all of their options, leading to the Commission's having little or no effect on the
status quo. C-1 thought that the biggest unanswered question surrounding the
Commission's impact on New Jersey higher education is whether a structure with so
much autonomy placed at the institutional level could work as a system.

Next, respondents were asked, "Do you think the Commission and Presidents' Council are likely to survive as New Jersey's higher education structures?" Most interview participants responded that, at least for the foreseeable future, the Commission and the Presidents' Council would probably remain. The political nature of the debate surrounding the restructuring was clear in that some respondents thought that the main threat to the Commission is political change. D-1 said that the Commission could survive "until some politician changes it." C-1 said something similar, noting that if a new administration considers the Commission to be "merely the creature of one party or government," the structure might be revised, but she doubted that institutional presidents would support another big upheaval. She compared such a quick reversal to "planting vegetables and pulling them up before they've had a chance to grow to see whether it's going to work or not." B-1 thought that the processes used to bring about the transition might dictate the future of the Commission and Presidents' Council. He said:

The vote for restructuring went down political lines - some Democrats thought it would be a disaster, and it isn't. If the new system survives for [Whitman's] eight years, I believe it will be modified. There is now pressure for the institutions to come to the table and deal with the issues. If the governor's people are happy with that process, there will be no change. But if there's no resolution on the issues, change is possible. It's assumed
that periodic review of the new system is part of the process. The Board of
Higher Education was more static.

E-I also felt that the Commission would survive, but in some modified form,
subject to the forces of political change. He stated:

I think they will survive as long as they're credible and serve the public's
interest. If they don't, then they'll be done away with...I think two things
are likely to make the structure change. One is a collapse within caused by
a corruption -- I mean that literally. Somebody steals, some president just
goes nuts like the one at Adelphi, and that happens. It's not going to
happen here, but something like that, something totally corrupt, or
someone or somebody really falls asleep at the switch and there's a major
breach in student financial aid. I think it would have to be something -- a
huge mistake that affected lots of people. That by definition would bring a
change. More than likely, I think over time the Democrats will find ways
to bring about changes. The way Whitman did it, she did not consult with
people. It was a surprise announcement, and she just kind of pushed it
through. Take no prisoners. She could have taken a more bipartisan
approach. She could have reached out to the Democrats and said,
privately, 'listen to what I have in mind'. She didn't. She didn't reach out
to anybody. And so the Democrats remember that, and they really do --
they never understood philosophically or politically why this was
happening. If they regain power, they're likely to change just because they
don't trust this structure. I think if you pressed those same Democrats and
asked them, well, what's different? What's not happening? Who's being hurt? Who's not being helped? They couldn't tell you. They just know that, 'this is not part of us. We had some trust in the old structure, and this one ain't kosher.'

C-2 remarked that the return of a Democratic governor might not mean a return to the Board and Department structure, because of the disruption involved in the restructuring. She said:

That was never the intent of the Whitman administration, to think that's it's kind of a toy and every time politics change, the structure of higher ed should change. I don't think that many legislators would support that, so I don't think they would say scrap this; go to something else. Would there be some tinkering or changes or something like that, perhaps if they felt the need. I don't see a Democratic governor coming in the near future and saying let's change this again.

F-1 observed that structural change usually occurs in cycles, so the Commission and Presidents' Council were likely to survive for the short term. He commented that the position of the governor is always a factor, and a new Republican governor after Whitman would be unlikely to disturb higher education but a new Democratic governor would make the future "anybody's guess." G-1 thought that the Commission was unlikely to survive, because in his opinion the Commission is not designed to deal with "major problems," which he believed would "wind up in the governor's lap." A-1 also thought that the politics surrounding restructuring would lead to future changes. He said:
Not for many years. I think that somewhere in the future it will become a campaign issue for a race for governor; maybe not in the next campaign, but somewhere down the line. This delivery system is based upon Republican philosophy and ideology. If at some point the statehouse is taken over by the Democrats again, there's a chance that all of this will be reviewed and perhaps restored to the old way or a third way of doing it will be created. I think the thing that speaks in its favor is that if they can get everything humming to the point that it gives the appearance of, if it's not broken, don't fix it, then it probably will have a longer longevity than if it remains partisan with the Republicans saying, 'well, this is our way of doing it; it's less government; it's less expensive, etc.,' and the Democrats saying, 'yes, but that means less services; less people will have access, etc.' I don't think [the old system] was broken, but I do think that this governor, as with any governor, has the right to shape the way that [she] want[s] to deliver the services.

C-3 thought that the Presidents' Council approach to program review might cause future lawmakers to consider reinstating more regulatory authority over the institutions. He said:

When the governor's office is no longer run by the people that introduced the bills that have a vested interest in it, you might get a new group of people that say, well, you know, 'how come we've got two engineering programs within spitting distance of each other in South Jersey and we're
spending this kind of money? If anything is going to do the Commission in, I think it's going to be something along those lines.

Finally, respondents were invited to add any comments or raise any concerns not addressed by the questionnaire. C-1 observed that she sees New Jersey's restructuring as a step toward the increased professionalization of the academy. C-1 said:

I'm always reminded that the education profession has always wanted to be [its] own watchdog, like doctors and lawyers, and I think that a lot of states are interested because New Jersey is letting them do that. I mean, presidents themselves get together and advise and create policy and everything. So we'll see how that works. I think the question is of great interest to other states.

F-1 noted that urban colleges made up the majority of institutions opposed to restructuring, which he speculated was politically motivated in part. F-1 thought that some of the urban colleges had considered the chancellor a friend who recognized the special needs and challenges facing their institutions. Since Governor Whitman's election base was primarily non-urban, F-1 guessed that urban colleges had feared the loss of any special help and understanding for their institutions.

E-1 expressed disapproval of the Department's claim that, when the restructuring was complete, minorities would have reduced access to higher education. In E-1's opinion, the "winners and losers" of restructuring were clear:

Independents, I think, are losers in a sense. They had been winning. They didn't need any more autonomy, and they lost a protector and a defender.

If you ask the independent sector, 'are you better off now than you were
four years ago?' they would say 'no,' because they were protected by the Department. They were used as a super coordinator. They weren't regulated. [State colleges] were the whipping boys. I would never detract from anybody knowing [their] self-interest, and the [the maintenance of] the status quo was in the self-interest [of the independents] because they got direct state appropriations. They got programs approved with no questions asked, and so forth; they had all the autonomy in the world. They are independent of state government. They didn't get away with murder, but they had disproportionate access to public policy. They had more of a say over policy that affected [the public sector] than they deserved. [The public institutions] didn't have any say over them. There [was] a symbiotic relationship between the old structure and the independents...by the way, the Department played the race card. I mean, they did some very unseemly things. They said all these dark and poor people are not going to be able [to go to college]. [T]hey got the black teachers involved. I was there. And none of that has come to pass, and I wonder why? It's because we should have more faith in ourselves than that, and I thought [it] was real low [for] the Board [to] play the race card. [The Board] made it look like they ran all the student financial aid. They didn't, and nothing collapsed.

A-1 remarked in closing that he was surprised that some presidents in all sectors who, while praising the new system as less intrusive, have been critical of Commission staff for not being more like the Department staff. A-1 noted that, at times, "we have
been harder on ourselves than the Department of Higher Education would have been...we might have been much harsher critics than when we had a 'watchdog agency' looking over us...some of the presidents seem to long for the old ways, even though they applaud the new."

Summary

This chapter of the study has presented the perceptions and opinions of people who were a part of the transition as New Jersey shifted from a centralized higher education coordinating system to a more decentralized model. Chapter VI presents the summary of the interview findings, addresses the research questions with the conclusions drawn from and the significance of the historical analysis and interviews, and recommends areas for further research.
CHAPTER VI

Conclusions and Recommendations

Introduction

This chapter presents a summary, a conclusion and discussion of the significance of the findings of the study, and recommends possible areas for further research. The Summary is a brief synopsis of the perceptions of the interview participants. The Conclusion and Significance of the Findings present an interpretation of the study's results, and the Recommendations for Further Research addresses the questions raised by the study, and proposes potential subject areas for future study.

Summary

Although interview participants offered diverse opinions, five main themes emerged from their remarks. First, respondents generally agreed that the Department of Higher Education held more administrative power than the Board of Higher Education. Respondents' perception of the Department's use of its power depended largely upon where the respondent worked before the restructuring and how the respondent was affected by the restructuring. Interview subjects who left state government after the restructuring praised the Department's careful regulation of the expansion of New Jersey higher education. However, interview participants who remained in state government and
worked for the new structure thought that the Department had retained too much control over the institutions, especially as the system grew.

Second, respondents indicated that the colleges and universities had begun to resist the management style of the Board and Department of Higher Education. In particular, the Department of Higher Education became increasingly conservative and controlling over time. The Board and Department's management paradigm kept sectors distinct and treated each sector differently, while some interview participants have viewed that differentiated treatment as unfair. Rutgers, NJIT and UMDNJ enjoyed relative autonomy, as they were institutions with which the state contracted rather than institutions over which the state had control. Community colleges had closer structural relationships with their respective county governments than with the state government, and operated with a measure of independence because of the localism inherent in the community college movement. By contrast, state colleges were subject to most of the Department's authority because of their previous ties to state government as teachers' colleges.

Third, respondents commented negatively on personnel issues. State college presidents were treated by the Commissioner of Education "as a superintendent treats his principals," according to the observation of interview participant D-2. Similarly, the Board and Department of Higher Education were described by interview participants as too powerful, stifling, frustrating in its bureaucratic processes, static and unchanging. These characteristics were compounded by the relatively low priority placed on higher education issues by the administration during the 1980's. Institutions' resentment against the Department of Higher Education grew during the 1980's and '90's as retrenchment
required the Department to exert even more control over institutions and budgets as it managed change.

Fourth, respondents felt that the dismantling of the Board and Department of Higher Education came as a surprise and ended in compromise. Governor Whitman's proposal to eliminate the Board and Department was an utter surprise to the interview subjects. Respondents with access to the governor's transition team thought that she planned to either limit some of the Department's authority, replace Chancellor Goldberg, or incorporate the Department of Higher Education into the Department of Education. The final form of the Commission on Higher Education was described by respondents as the result of compromise. The governor, exploring her budget options, originally envisioned the creation of the Presidents' Council alone, which was to operate in an environment of complete deregulation.

Finally, most interview subjects agreed that the new system had both positive and negative features. Respondents described the Commission and Presidents' Council as still experimental and lacking in advocacy. Respondents also expressed varying degrees of concern about the political interference in higher education that brought about the restructuring. However, respondents also commended the Presidents' Council for its quick disposal of the Department of Higher Education's backlog of program review approvals, and predicted that the Commission and Presidents' Council would remain in place for the immediate future. Finally, many respondents felt that, despite political and economic cycles of change, institutions prefer stability and would support the new structure for the short term.
Conclusion

The main research question of this study attempts to contribute to an understanding of the evolution of higher education coordination in New Jersey from 1970 to 1999. The author chose to approach this question by using the insights gained from an analysis of three subsidiary research areas: the current higher education coordinating structure, the changing role of New Jersey state government in higher education, and the causes and forces behind changes in higher education coordination in New Jersey from 1970 to 1999. The conclusions of this study are drawn from a combination of interviews, minutes, articles, and historical research.

The higher education coordination model offered by Berdahl (1971), described in Chapter II, is a categorical representation that can be modified and adapted to describe the current condition of higher education coordination in almost any state. Berdahl argues that there are six categories of coordinating arrangements:

- Category I: no state agency
- Category II: voluntary association
- Category IIIa: coordinating board with a majority of institutional members and advisory powers
- Category IIIb: coordinating board with a majority of public members and advisory powers
- Category IIIc: coordinating board with a majority of public members and regulatory powers
- Category IV: consolidated governing board
According to Berdahl (1971), New Jersey moved from Category I, no state agency, to Category IIIc, a coordinating board with a majority of public members and regulatory powers, in 1966 when the Board and Department of Higher Education were created. Using Berdahl's typology, New Jersey then moved from Category IIIc to Category IIIb, a coordinating board with a majority of public members and advisory powers in 1994 when the Board and Department of Higher Education were replaced by the Commission on Higher Education and the Presidents' Council.

The Commission on Higher Education is made up of eight public members. Most of the financial powers of the old Board of Higher Education now belong to the Department of the Treasury. Many of the Board's non-financial duties, such as governance of the Equal Opportunity Fund (EOF) for disadvantaged students, reverted to the Department of State. Other functions, such as the setting of tuition at the public institutions, were abolished (Knox, 1994).

The role of the Commission includes general systemwide coordination, research, advocacy, planning, and policy development, with advice from the Presidents' Council. The Commission recommends higher education initiatives and incentive programs to the Governor and Legislature and submits an annual coordinated budget policy statement to the Governor and legislature. It also has authority over capital and equipment projects funded through bonds, institutional licensing, university designation, and new degree programs referred by the Presidents' Council for cost or program duplication issues. The Commission and Presidents' Council have limited powers of program review; if neither body rejects a new program offering within 60 days, it is automatically approved (Knox, 1994).
The Presidents' Council, in addition to new program review, is responsible for the formation of regional and cooperative programs among institutions, including transfer and articulation policies, and makes recommendations to the Governor, Legislature and Commission on higher education issues including funding for institutions and student assistance programs. Upon referral by the Commission, the Presidents' Council provides recommendations on institutional licensure and relicensure. The Council also assists and advises the Commission on statewide planning and policy initiatives, and has an advisory role on institutional mission changes and new degree proposals that may be unduly costly or duplicative. The Council was originally comprised of the presidents of the 45 public and independent New Jersey colleges and universities receiving direct state aid; 1996 amendments expanded Council membership to include four representatives of the 11 proprietary and religious institutions. An Executive Board, also created by the act, is authorized to carry out much of the Council's work (New Jersey Commission on Higher Education, 1999).

Under the new paradigm, institutional boards of trustees are described by the Commission as partners in the shared governance of the system (New Jersey Commission on Higher Education, 1999). Institutions are charged with responsibility for institutional policy and planning, student tuition and fees, admissions, degree requirements, investment of institutional funds, legal affairs, and a budget request for state support. Institutions also have the authority for academic programs, personnel decisions, and initiatives for improving institutional facilities. Institutions must also prepare annual accountability reports (New Jersey Commission on Higher Education, 1999).
McGuinness (1994, as cited in Altman et al., 1994) has observed that despite the appearance of similarity in institutional missions and state structures, states vary significantly in history, culture and political and economic dynamics. Colleges and universities, as social institutions, reflect, if not amplify these often subtle differences. State variations on tuition and student policy fall into two main groups:

1. States with comparatively high public tuitions and strong commitments to need-based student aid (such as New Jersey) tend to be those with historically strong private higher education sectors, reinforced by a pattern across all governmental dimensions to rely upon private entities and forces to meet public needs. These states have a history of recognizing the role of the independent sector in serving public purposes. Public colleges and universities evolved as major forces only since the 1960's and the states have only recently, and sometimes hesitantly, developed a commitment to the public sector. More often than not, the state’s posture on tuition has evolved not through conscious policy choice but through the interaction of culture and politics over many decades.

2. States with comparatively low public tuitions and modest student aid programs (such as Michigan, the early model for New Jersey’s restructuring), in contrast, are often those whose higher education systems evolved from a more populist tradition and where the private sector played a limited role in meeting public needs in the
states' early history McGuinness (1994, as cited in Altman et al.,1994)

New Jersey's state government, guided by its colonial past and an effective private sector, had until the 1960's maintained a relatively laissez-faire approach toward higher education. Rutgers and NJIT were semi-private and contracted with the state for their license to provide higher education services. State normal schools were not "real" colleges or universities, and were run by the state to train school teachers as part of its obligation to provide primary and secondary education. The community college movement and its attendant concept of the expansion of access to public higher education was not popular in New Jersey until the pragmatic need to keep college students in the state became too great in the post World War II boom.

The post World War II growth in demand for higher education led to a climate of controlled, managed growth in the public sector, manifested in the level of authority held over the state colleges by the Division of Higher Education within the Department of Education. Public pressure and a responsive governor caused the founding of a separate Board and Department of Higher Education to respond to the demand and turn the normal schools into liberal arts colleges, but the state maintained its managerial approach to public higher education. Until 1994, New Jersey state government had been unwilling to encourage competition between public and private institutions. Further, state government discouraged competition between the three public sectors - the universities, the state colleges, and the community colleges.

A comparison of the functions of the Department of Education and the Department of Higher Education reveals that, although the state's intent was to liberate
public colleges from the Department of Education, the state assigned all of the authority of the old Department of Education's Division of Higher Education to the Department of Higher Education. The state further empowered the Department of Higher Education with additional functions, including system planning, admissions standards, tuition policy, salary, benefit and personnel policy, and program review.

However, the 1994 Higher Education Restructuring Act reverses New Jersey's role of manager of the state's public colleges. Under the Restructuring Act, the state gave to public two- and four-year colleges the authority to essentially govern themselves, including the right to conduct planning, set tuition, settle personnel disputes, generate reports, and conduct program review. The state delegated to the Commission on Higher Education responsibility for licensing institutions, establishing system wide norms of data reporting, and capital projects approval.

Both the political history of higher education in New Jersey as well as the interview findings suggest several causes and forces at work in the development of higher education coordination: the management philosophy of the state coordinating agency, particularly toward the normal schools as they became state colleges, as described in the summary above; parochialism; the sharp increase in post-World War II demand for services and access; expanding higher education budgets in the 1960's and 1970's, contrasted by shrinking budgets in the 1980's and 1990's; and the strength of the private sector.

Central to the events that have shaped New Jersey higher education coordination seems to have been the issue of parochialism. The tension between institutional versus state control over the delivery of higher education has informed both the founding and the
dismantling of the Board and Department of Higher Education. Demand for services, which increased dramatically after the second World War, combined with a traditional public mistrust of central authority. This conceptual contradiction brought about an approach to higher education coordination unique to New Jersey: the state recognized the need for operational autonomy at the public colleges and addressed this need by establishing a strong central coordinating agency.

The Board and Department of Higher Education were created primarily to oversee the growth of the public colleges, diversify the state college curriculum, increase opportunities for access to higher education, and encourage planning between the public and private sectors. However, while creating the community college system and working to collaborate with the public research universities and the private sector, the Board and Department in practice could be described as an additional layer of supervision for the state college system. State colleges, responsible to the Department of Higher Education, were at the same time required to operate as state agencies under the Departments of Treasury, Civil Service, and the Office of Employee Relations. Members of the Board of Higher Education as well as Chancellors Hollander and Goldberg recognized the contradiction within their charge, and advocated increased institutional autonomy for both the community colleges and the state colleges. Meanwhile, their continued control over the administration of policy initiatives kept the structural tensions intact.

These structural tensions posed less of a threat to the stability of the system when state appropriations to higher education and institutional budgets increased steadily in the 1960’s and ‘70’s. Conversely, when resources began to dwindle in the 1980’s, the Board and Department presided over the division of smaller and smaller appropriations, and the
state colleges were successful in their push for two State College Autonomy Acts, in 1986 and in 1990. The 1994 dismantling of the Board and Department of Higher Education may be described as a logical next step in this sequence of events as state college presidents and boards of trustees became accustomed to operational autonomy while budgets continued to decline in the 1990’s. Although Governor Whitman’s announcement of the plan surprised interview participants and many higher education stakeholders, the governance structure created by the Act, which distributed most of the Board and Department of Higher Education powers and functions to the institutions, may not be very surprising in light of New Jersey’s strong tradition of localism in education.

Until the late 1980’s, the main national trend in the state government relationship with public colleges and universities was toward development and centralization of coordination, because public higher education was seen as an enterprise that needed greater public control. Contributors to the literature on policy research now report a gradual reversal of statewide consolidation of institutions, as part of the modern political movement toward decentralization at all levels of government (Brown, 1990; Novak, 1993).

In addition to following this national trend, New Jersey appears to be returning to its traditional colonial approach to higher education - accomplishing this, interestingly enough, through the selective application of Michigan’s populist higher education governance model. New Jersey’s 1994 Higher Education Restructuring Act removed mandatory funding for EOF as well as mandatory administration of the New Jersey Basic Skills Placement Test; developments in keeping with New Jersey’s long tradition of
reserving higher education for those who can “afford” to go, either financially or in the modern sense of academic preparedness.

Significance of the Findings

Although the central purposes of higher education are in the realms of teaching, research, and public service, the means chosen for achieving these purposes, through statewide coordination, may well have important influences on the extent to which those purposes will be achieved (Berdahl, 2000). The findings of this study suggest that a state's individual political culture plays a part in restructuring higher education, and should be considered in the politics of such change. Furthermore, the findings indicate that political process has an essential role in the organization of higher education, and the governor's position is vital to the implementation of higher education policy. The fact that there was no attendant rash of higher education decentralization in other states indicates that New Jersey's higher education arrangement was unique in its readiness for restructuring, rather than an indicator of a national trend. For the most part, the interview testimony bore out the conclusions of the historical analysis.

The convergence between the historical analysis and the interview responses presented in this study implies that administrators engaged in planning for statewide higher education may achieve an understanding of a state's system of higher education by combining a review of the relevant political history with a sampling of current perspectives. This understanding of the system may prompt state level administrators to propose organizational initiatives that further the goals of a coordinated system, conducted in an atmosphere of consensus.
The ostensible lack of process with which the restructuring of New Jersey's higher education system took place was the main focus of the plan's critics. However, the debate over process can become less important if the governor's action can be shown to be congruent with the state's political sensibilities, and the governor's team consistently answered critics with arguments that were employed in the founding of the Board and Department of Higher Education: namely, that restructuring would empower the state colleges and inspire them to develop better systems for the delivery of education.

It may be extrapolated from the findings that Governor Whitman acted with an understanding of the state's political history, as her proposal to eliminate the Board and Department of Higher Education proceeded with the consent of most of the stakeholders in New Jersey's higher education enterprise in spite of the seeming lack of process. The new structure was designed to "eliminate unnecessary state oversight and to encourage creativity and innovation at the colleges and universities within a coordinated state system." (New Jersey Commission on Higher Education, 1996, p.1) Institutional autonomy, a major objective in the 1994 restructuring of New Jersey's higher education system, led to increased institutional accountability, and annual institutional accountability reports were launched in the fall of 1995 as one consequence of restructuring. The Commission on Higher Education began producing Systemwide Accountability Reports in 1996 to supplement the institutional reports (New Jersey Commission on Higher Education, 1996).

Educational policymakers look to state-level accountability measures to guide state planning, form a context for budgetary decisions, and monitor the return on public investment in colleges and universities. Legislators agreed to restructure because
decentralization fits with New Jersey's historical philosophy toward public educational structure, which now provides for the combination of institutional autonomy with statewide coordination to create a framework for the development of a higher education system that includes various types of institutions with clearly differentiated missions (New Jersey Commission on Higher Education, 1996). As a result of her grasp of this policy environment, Governor Whitman was able to restructure higher education within six months of her inauguration.

Recommendations for Further Research

The researcher undertook this study with a narrow focus on the educational issues that shaped New Jersey's higher education restructuring in 1994, not expecting to find such a clear revelation of the extent to which traditional attitudes about political organization would affect the higher education structure. A thorough treatment of this single event required a context of political history, and this study has contended that New Jersey's political history has been strongly influenced by its colonial experience.

This observation has raised questions in four main areas of inquiry that merit further investigation. The first area of inquiry is the effect of regionalism on higher education coordinating structures. Efforts to create or reorganize statewide governance are often a sign of wider underlying dissatisfaction with public higher education - the institutions, the state university system, a particular sector of institutions, or the governing/coordinating board (Novak, 1993). It has been argued that, because of declining enrollments and decreasing state expenditures on higher education, the states are beginning to return some measure of autonomy to the institutions (Brown, 1990). If
this trend continues, it would signal an almost complete reversal of the trends that gave rise to increased regulation, namely rapid growth in enrollments and increased spending on higher education.

Marcus' (1997) statistical analysis of higher education governance restructuring patterns between 1989 and 1994 found that a national trend toward centralization continued, but a countering trend of decentralization intensified slightly. Marcus also found that, consistent with previous research about policy innovation, regional factors have been apparently influential in policymaking. For example, West Virginia's governor initiated that state's move away from strong centralization toward increased institutional autonomy, following the example of bordering Virginia. Two of the three northeastern states that enacted major restructuring (Massachusetts and New Jersey) behaved similarly during this period, replacing strong state-level boards and enhancing institutional autonomy, but balancing the de-centralization with an increased role for the governor.

Both proposals came from governors. A Connecticut action, not of major proportions, constrained the authority of the state board and authorized institutions to submit budget requests directly to the governor and legislature. However, Connecticut's major restructuring was in the direction of centralization: mergers within the community and technical college system reduced the number of institutions from seventeen to twelve and provided for increased coordination across the community college system, and New Hampshire has enacted an institutional consolidation measure modeled after Connecticut's (Marcus, 1997). If New Jersey's experiment with deregulation is in fact a regional phenomenon, then it may be useful to conduct a regional analysis of higher education coordination which takes into account regional political culture.
The second main area of inquiry is the significance of colonial tradition. How strong of an influence, if any, does colonial tradition have on the political and educational decision making process in the other 12 colonies? Is there any regionalism also evident in this phenomenon? What impact, if any, did the North/South cultural split have on higher education structural development in the original 13 colonies.

The third main area of further inquiry might be the attitudes and perceptions of college students in New Jersey. Although New Jersey college students have been tracked in quantitative reports which detail their patterns of college attendance and their movement out of the state, there seems to be limited qualitative information available about their selection of institutions. Where did they go? Why? What are the attitudes of alumni of New Jersey institutions? Why did they stay? Were financial considerations the only basis for deciding where to attend college? How did students perceive the impact of restructuring? This study would have profited by the inclusion of student representation in the interview subjects, to aid in understanding the impact of restructuring on a higher education system designed to serve student needs.

A final area of research comprises the different questions raised by broadening the scope of inquiry beyond states that have a colonial tradition to a consideration of national trends. Berdahl's 1971 study was conducted during a time of increasing prosperity and escalating appropriations to higher education. What is the present picture of higher education coordination in the 50 states as the country emerges from recession and many higher education systems cope with the effects of retrenchment? How have immigration patterns impacted traditional culture vis-à-vis higher education? It may be interesting to
replicate Berdahl's state by state 1971 study to determine a snapshot of American higher education at the state level after nearly thirty years of changing conditions.
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