

## Comments on

### Senate Bill 1011, An Act Concerning a Reorganization of Connecticut's System of Public Higher Education

1. From the perspective of changes in state higher education structures across the U.S. over the past 25 years, Senate bill 1011 is not a cost-effective way to improve the performance of higher education in Connecticut. The bill:
  - Includes no means for Connecticut to develop a strategic plan (public agenda) for the whole higher education sector (public including UCONN and the independent sector).
  - Includes no means to link overall finance policy to the strategic plan. There needs to be a mechanism (commonly assigned to a state coordinating entity) to develop overall state finance policy for the allocation of limited state funding among sectors (including UCONN) and between institutional subsidy and student financial aid.
  - Ignores the fundamental difference between statewide coordination (the intended role of the Board of Governors) and institutional governance. Evidence from other states is overwhelming that a board's focus on governance of public institutions (issues related to internal management) drives out attention to statewide policy leadership and coordination for the whole sector (including the independent sector).
  - Ignores the need to maintain a separation of governance between two fundamentally difference missions: the state universities (bachelor's degrees and focused graduate degrees) and the community and technical colleges. Integration of governance of these sectors can:
    - Undermine the CTC mission to respond to the state's critical workforce needs
    - Lead to long-term cost increases as the CTC faculty bargain for faculty teaching and workload conditions comparable to four-year institutions
  - Assumes incorrectly that governance consolidation of the state universities and CTCs will address the articulation and transfer problem. There is no evidence from other states that consolidating governance of CTCs and state universities is the most effective means to improve articulation and transfer.
    - States in which the governance of state universities and CTCs is consolidated continue to face significant transfer and articulation problems. For example:
      - The Minnesota State College and University System (MnSCU) is just now working on a common transfer curriculum and other changes necessary to ensure transfer within the system (15 years after the system was established). Even solving the problem within MnSCU will not solve the problem of transfers to the University of Minnesota campuses (which are outside

MnSCU). Minnesota abolished its coordination board so it has no formal means for working on the transfer problem across all sectors.

- The Board of Regents in Tennessee is the governing board for the state universities (not the University of Tennessee System), the community colleges and the technology centers. The Board of Regents made some progress within the system on transfer, but this did not address the issue of transfer to the UT System. Leadership on transfer has come from the state coordinating board (comparable to the CT Board of Governors). The Tennessee General Assembly had to enact mandates in 2010 (the Complete College Tennessee Act) to make further progress on transfer (mandated transfer core plus transfer agreements in the most frequent transfer majors).
- Ignores basic lessons from major governance changes across the U.S. over the past 25 years:
  - Governance change of the scope proposed rarely leads to short-term cost-savings. The hidden cost of governance change is in the hundreds of hours of time required to realign internal governance, legal agreements, collective bargaining agreements, and other organizational details. It can take as long as 10 years (if not more) to work out these details and to begin to achieve system and institutional economies-of-scale. Meanwhile, consolidation of two-year and four-year missions can lead to increased costs stemming from reduced teaching loads and other changes in personnel policies and decreased responsiveness to the state's workforce needs.
  - Governance change is the bluntest—and least effective—instrument to solve specific problems such as mission drift, transfer, ineffective leadership of a particular institution or system or other issues. Changes in finance policy and leadership (both board membership and executives) can be far more cost-effective means to address these problems.
  - Governance must be tailored to the unique needs and culture of a specific state. Transposing another state's governance structure (e.g., Minnesota) on Connecticut's unique structure and culture would be a mistake. Within certain overall principles (e.g., the need for an entity focused on policy leadership, aligning finance and governance with mission, the importance of decentralization within an accountability framework), there are many ways to organize a state higher education system. The evidence that changing a system will make a measurable difference in performance and cost-effectiveness is so weak that it makes much more sense to try to make an existing structure work.

- If a state doesn't know where it is going (long-term strategic agenda), any structure will get it there. Restructuring without broad consensus on state goals is a serious mistake for any state.
2. There are clear needs to improve the current system of statewide coordination and governance in Connecticut—but these changes are largely improvements in the current structure and do not require the kind of massive costly change as proposed.
- The recent legislative staff program review found that some aspects of the current Connecticut higher education system are not working. The review makes clear the failings of the current system in terms of:
    - Increased managerial flexibility, decreased state policy leadership
    - Insufficient identification of statewide needs and provision of accountability
  - The current Board of Governors lacks the formal authority, leadership capacity, and full recognition in the state policy process (Governor and General Assembly) to provide the needed policy leadership for the future of Connecticut. The most important functions and powers that are lacking relate to:
    - Developing a strategic plan linking higher education (the whole sector) to the future educational attainment, economy and quality of life of Connecticut.
    - Developing a financing plan to achieve long term goals and an allocation methodology to carry out that plan
    - Hold the sectors accountable for achieving long-term goals (primarily through performance-based funding)
    - Resolving long-standing inter-sector issues such as transfer and articulation and mission differentiation
  - The major “governance” issues in Connecticut relate to the system governance of the state universities—not the CTC system. As noted above, there is little evidence from governance changes across the US in the past 25 years that this kind of dramatic change as proposed is the most cost-effective means of addressing such a sector-specific issue. Other options should get serious consideration—but only in the context of a long-term strategic plan for Connecticut and after the underlying problems are clearly defined.

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