



AN *INSIDE HIGHER ED* SPECIAL REPORT

Squeezed From All Sides

Opportunities and
Challenges for Regional
Public Universities

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BY RICK SELTZER



Executive Summary

Regional public colleges and universities are in many ways the vast middle of the American higher education ecosystem. They are a group of several hundred institutions traditionally drawing heavily on state funding in order to offer moderately priced four-year degrees to a large number of students, many studying close to home.

As with any entity occupying a middle ground, these institutions perform a thankless job under seemingly constant pressure from all sides. Regional public colleges are not as prestigious as land-grant and research universities. Their prices are higher than those of community colleges. They do not change fast enough to satisfy some politicians and business interests, even as some faculty members see them as too quick to abandon the traditional liberal arts.

None of these pressures are new for regional public institutions, but they are intensifying. The middle is an increasingly inhospitable place in a country swept up in the trends of polarization and income inequality—where public funding does not always keep up with growth in the number of students who cannot afford tuition costs, and where lawmakers increasingly demand proof that tax dollars are being spent wisely. Serving students close to home is becoming more and more difficult at a time when the demographics of high school graduates are changing and populations are shifting south and west. At the same time, technological changes rewrite the old paradigms of place while leaving many to wonder what, exactly, the jobs of tomorrow will be.

Even as it is squeezed, this vast middle of the higher education ecosystem remains some of the most welcoming territory for many students. Regional public institutions graduate one-fifth of all students receiving degrees of any type—and almost 40 percent of all those earning bachelor's degrees. They are heavily represented on lists of colleges promoting economic mobility, and many are linchpins of access for minority and under-represented groups.

They also fill the role of economic, social and cultural anchors. Regional public universities often serve as providers of the best jobs in their communities and the places local residents can turn to in order to catch a play or watch a college basketball game. This makes them both vitally important and politically popular. Threats to close, combine or otherwise weaken them draw passionate opposition.

Leaders at regional public colleges face a daunting task, yet they have reason to hope. The sector has proven to be remarkably resilient over time, finding new sources of revenue in the face of long-constrained state funding. Regional colleges have expanded their boundaries geographically and online, survived bruising political fights, and taken part in sometimes uncomfortable partnerships to meet the needs of their communities. They have challenged conventional rules and even merged with community colleges when pressured, finding new models and new efficiencies in the face of grave doubts.

Make no mistake: all of these strategies and more will be needed to navigate the upcoming set of challenges. Regional public colleges are likely to face continued scrutiny from lawmakers, board members, students, their own faculty members and the public at large.

As important as they are, these colleges and universities have often failed to expand access, keep costs in check and meet students where students need them to be. None of their constituencies, from politician to voter, from faculty member to administrator, is without blame for these failings. Support from all will be needed to blaze a trail forward and secure the future of regional public institutions and the students they serve.

This special report explores the challenges faced by regional public institutions and the experiences of those who lead them. It aims to provide perspective for the lawmakers and board members charged with overseeing public assets. It outlines ideas for campus presidents, system chancellors and other administrators seeking a way forward. And it describes best practices that can be pursued by all as they seek to stay true to their missions while finding ways to survive and thrive in higher education's turbulent middle. ■

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Introduction: The More Things Change...



In January 1985, the American Association of State Colleges and Universities Board of Directors appointed a national commission to study the role and future of state colleges and universities.

Its charge: craft recommendations for comprehensive state colleges and universities to respond to “the dramatic changes occurring in our society.” Those changes included accelerated obsolescence of job skills, a rising number of part-time and older students, expansion of regional economic development programs, a crisis in teacher education, and the need to add an international dimension to undergraduate curricula.

When the AASCU commission delivered its report in November 1986, it also addressed social issues. “Ignorance is the enemy of democracy,” said the report, titled “To Secure the Blessings of Liberty.” Leaving a population’s abilities undeveloped leads to unemployment, nonparticipation in elections

and reduced productivity, it said. Doing so also causes “personal stagnation leading to frustration, crime and abuse of freedom.”

The report noted that black Americans’ educational attainment lagged that of whites and that “an American underclass is growing at an alarming rate; as many as one-fifth of the nation’s children are living in poverty.” College prices, it said, “have skyrocketed over the past 10 years” but federal aid programs had failed to keep pace. “A dangerous imbalance” in federal student aid programs existed between grants and loans, the report said, bemoaning the fact that 65 percent of federal support came through loan programs.

In response, the commission called for a new Marshall Plan for higher education, a massive effort to improve college attainment by the dawn of the new millennium. Under the plan, 35 percent of American adults would have a college degree by 2001, it said, with state colleges and universities taking the

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“If they do not show a willingness to address concerns about quality, there is no end to the number of state legislators and bureaucrats who will tell them how to do things better.”

Sheila Kaplan

Former Chancellor
University of Wisconsin Parkside

lead in preparing new teachers, working with public schools and coordinating with community colleges.

Criticism of the commission's report followed. In 1987, Sheila Kaplan, then chancellor of the University of Wisconsin Parkside, published a response in the journal *Change*. The problem, she wrote, was that the commission's solutions required large increases in public spending and expanding state college and university activities. Its report rarely called for program improvement or reorientation without major additional resources, leaving itself open to charges of being self-serving.

“I wish the report had put greater emphasis on enhancing the quality of education for students currently enrolled than on the search for new roles and massive numbers of new students,” Kaplan wrote.

She went on to assert that students who are capable of paying a larger share of the costs

of their education should be expected to do so, and that asking them to repay reasonable debt was not totally onerous. She wondered why the commission did not do more to ask colleges and universities to review their own campuses for racism and sexism.

Kaplan warned against making “research centers or industrial parks the new status symbol for higher education” because the important thing was for institutions to partner with their communities and avoid making promises they could not keep. She called for programs for adult students to be expanded through connections with business and labor. She warned state colleges and universities to show political leaders and governing boards that they are capable of effective management.

“If they do not show a willingness to address concerns about quality, there is no end to the number of state legislators and bureaucrats who will tell them how to do things better,” she wrote.

On the question of quality, Kaplan wrote that state colleges and universities “stand most exposed.” Large public land-grant and research universities could use their research and doctoral programs to cloak deficiencies. Selective independent colleges would avoid questions because selectivity can be viewed as a substitute for quality. Less selective institutions could assert the imperative “of their particular denominational orientation.”

How familiar it all sounds today.

The drastic changes unfolding in society three decades ago—around which the commission was originally framed—have only continued and accelerated. Job skills in high demand shift rapidly as new technologies change the nature of work and where positions are located. It’s become a platitude for college presidents to say they must figure out how to educate students for jobs that have not yet been invented.

Part-time and older students are once again a focus, for myriad reasons. Many states have set lofty degree-attainment goals that will be difficult to meet unless more adults can be educated. Workers may need to finish long-abandoned studies or upskill if they hope to stay relevant in the aforementioned changing world of work. Leaders of stressed colleges and university systems are also hungrily eyeing the adult demographic as the once-growing pool of traditional-age college students seems to evaporate before their eyes.

The state of the national economy and of regional economic development efforts remain top of mind a decade after the Great Recession. Today, college leaders often seem quicker to discuss higher education’s return

on investment than they are its ability to create a well-rounded, well-adjusted citizenry.

States across the country, from New York to Texas to California, have decried teacher shortages. And international curricula appear ever more valuable as supply chains have internationalized, borders have become more politicized and new communications platforms threaten to tear the world apart even as they stitch it together in new ways.

Kaplan’s concerns about racism and sexism ring true on contemporary college campuses. So do her warnings about quality and political control.

By almost any measure, the call for a new Marshall Plan was not heeded. State spending on higher education has risen in recent years after a long downward trend. Still, it remains below historic levels on a per-student basis. In turn, more responsibility for funding a college education has been placed on students. In this day and age, the 65-35 split between federal grants and loans criticized in the AASCU report would seem generous.

Three-quarters of all federal student aid dollars disbursed in 2018 took the form of federal loans, according to [Department of Education data](#).

Most of the other ills outlined in the report have yet to be overcome, either.

Today, 21 percent of all children, just over a fifth, live in families with incomes below the federal poverty threshold, according to the [National Center for Children in Poverty](#)—roughly the same portion as did when the AASCU commission released its report in the mid-1980s. In-state average net tuition and fees for an undergraduate student

at a public four-year institution rose from \$1,870 in 1998-99 to \$3,740 in 2018-19, according to [College Board data](#) adjusted for inflation.

The country has made significant progress on degree attainment—34.2 percent of all adults ages 25 and older had a bachelor's degree or higher in 2017, the most recent year for which federal data are available. Still, it is behind the commission's ambitious goal of 35 percent attainment by 2021, and gaps persist.

While 38.1 percent of those who are white had a bachelor's degree or higher in 2017, just 24.3 percent of those who are black did. The share was even lower among those who are Hispanic—17.2 percent.

Perhaps, then, it should be no surprise that debate rages anew about the value of a higher education. American society is re-evaluating just how much colleges and universities will be a part of solving the country's ills and which types of higher education will be emphasized in the future.

To repackage Kaplan's argument from 32 years ago, regional colleges and universities are the public institutions most exposed to the outcome of the current debate. Most land-grant and large public research universities can still cloak any deficiencies in the veils of prestige, and community colleges have perhaps the most to gain from a shake-up of the higher education ecosystem, given the current emphasis on work-force development, connections to employers, alternative credentials and lower price.

Why does this report start with such an expansive view of the issues affecting regional public colleges and universities? It would be easier, after all, to focus solely on specific

strategies institutions' leaders can use, like lobbying for additional public funding, identifying costs to cut, recruiting new student populations and finding ways to support those students so they move through college successfully and efficiently.

The answer is that regional public colleges and universities have long positioned themselves as the largest gateways to opportunity for the masses. Therefore, each must balance its responsibility to its students against the demands of its employees, the needs of its region, the requirements of its state and the imperatives of the economy and American society.

"It is, quite frankly, the regional comprehensives that are doing the hard work," says Stephen Jordan, president emeritus of Metropolitan State University of Denver. "That's where these students are getting the opportunities. Yes, there are a few who will get lucky enough to go to a selective university. But the real change in America is, to me, the regional comprehensives."

Surviving and thriving in such a context requires both a nuanced understanding of sector-specific strategy and knowledge of the much broader context into which it fits. Specific strategies are addressed in the pages of this report. But focusing on them without considering the larger forces at play would leave leaders unprepared to make crucial choices.

It is important to examine each of the issues above, plus several more, in greater detail. First, a word about which institutions are counted as regional public colleges and universities. ■

What Are Regional Public Universities?



No single agreed-upon definition exists for the group. In fact, no single term captures it. The Carnegie Classification of Institutions of Higher Education categories best capturing regional public institutions are master's colleges and universities and baccalaureate colleges. AASCU, meanwhile, calls them regional comprehensives.

Generally, this report uses the term “regional public colleges and universities” to describe a broad group of institutions that have historically received significant funding from state tax dollars and are under some level of public control. They have traditionally been oriented more toward teaching than research—although many of their faculty members are quick to point out that they do indeed perform research. They tend to draw students mostly from their backyards or adjacent areas.

“I think sometimes the difference is that our research is tied to application and engages undergraduates at a much more significant

level than is the case with the traditional R-1 universities,” says Soraya M. Coley, president of California State Polytechnic University at Pomona. “When we think about describing the comprehensive public university, it is teaching, research and service. It is those combinations that I think have helped us to not only make sure our students are well educated but are impactful in the regions in which we are located.”

It's been observed that this group is frequently defined less by what it is than by what it is positioned between. It is the broad group of institutions occupying the middle ground between community colleges and research universities. This has often led supporters of the group to struggle with its identity and for recognition.

Residents of most states can probably name multiple flagship universities across the country. Many can name the regional public colleges closest to their homes. Far fewer can

name a large number of regional public institutions in faraway states, or possibly even in their own states.

“These regional colleges are never going to be a household name,” says Mark Hagerott, chancellor of the North Dakota University System. “But they are doing yeoman’s work educating hardworking, highly intelligent kids who cannot move, cannot pay room and board—but they have the potential to really help their economies and civil society.”

For the purposes of this report, *Inside Higher Ed* developed a list of more than 500 institutions that fall into the regional public college or university segment. The list allows for a comparison between regional institutions and higher education as a whole. But it isn’t scientific or all encompassing, so many more institutions are likely addressing the same challenges and opportunities while serving similar student populations.

Few of the institutions on this list, slightly under 10 percent, are ranked as “more selective” in Carnegie classifications. Remaining institutions are split about evenly between inclusive and selective institutions. In contrast, about 17 percent of all four-year institutions in the Carnegie Classifications, public and private, are classified as “more selective.” Another 27 percent are selective and 56 percent are inclusive.

Consider this selectivity breakdown in light of [data](#) from the Cooperative Institutional Research Program at the Higher Education Research Institute at the University of California, Los Angeles. In 2017, two-thirds of full-time, first-time freshmen attending low-selectivity four-year public colleges attended a campus within 50 miles of home.

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Mark Hagerott

Chancellor

North Dakota University System

At medium-selectivity four-year public colleges, 48.1 percent attended within 50 miles of home.

Add in adult and transfer students, many of whom enroll near where they live or grew up, and it becomes clear how this group of colleges embodies the term “regional.”

Many also represent the greatest sources of opportunity for their students.

“For a long time they’ve been serving adult students, part-time students, transfer students and veterans—and a very significant share of students of color,” says Kevin McClure, assistant professor of higher education at the

University of North Carolina at Wilmington. “If there are cuts that disproportionately affect this sector, or if there are changes or performance funding that somehow hurts this sector more than others, you really are hurting these types of students.”

And they represent economic pillars for the communities in which they are located. These colleges contract with local firms and serve as major employers regionally and locally.

“They tend to be one of the largest purchasers of services or goods, and so the areas’ fortunes are tied to them,” McClure says. “They typically train the teachers and the nurses that are kind of necessary for people to go to school and be healthy.”

These institutions often promote their economic benefits to local and state lawmakers. They also take the idea a step further, working to reach out to employers and others who can generate new economic activity.

“We think a lot about connecting with employers,” says John Jasinski, president of Northwest Missouri State University. “We think a lot about stakeholders and their needs, but also not being shortsighted.”

Regional public institutions are also heavily represented on a list of colleges and universities promoting economic mobility. Harvard economist Raj Chetty calculated economic mobility scores to determine which colleges enroll the most children with parents in the bottom fifth of the country’s income distribution who then go on to reach the top fifth. About a third of the top 50 institutions promoting economic mobility are regional public colleges, many in the California State University or City University of New York systems.

Chetty’s 2017 research paper on colleges promoting the most intergenerational mobility noted that “the colleges with the highest mobility rates tend to be midtier public colleges that combine moderate success rates with high levels of access.” In other words, they scored highly because many low-income students enrolled and a decent percentage of those students went on to move up the income ladder.

Many universities that moved graduates up the income ladder at the highest rates didn’t score as highly on Chetty’s rankings because they never admitted many low-income students in the first place. And at the other end of the range, colleges with the lowest mobility rates were mostly nonselective institutions where a very small share of students made it into the top income quintile.

This is not to say all regional public universities scored highly on Chetty’s rankings—many did not. Nor is it to say that these rankings are the only measure of success. An institution with normal school roots may be happy to educate the daughter of two teachers to become a teacher, but she would not necessarily be considered upwardly mobile because she is unlikely to make drastically more than her parents.

Even though this group of institutions admits and educates a large number of local students, regional public colleges and universities often fade into the background or are pushed aside in favor of larger, more visible research universities.

Indeed, when Amazon decided to establish a second headquarters in Northern Virginia near Washington, D.C., Virginia Tech captured headlines for supporting the company by

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Vanessa A. Sansone
Assistant Professor of Higher Education
University of Texas at San Antonio

accelerating plans to build a massive “innovation campus” that would feed the company’s hunger for talent.

Virginia Tech’s main campus is more than 250 miles away from the D.C. area. Meanwhile, George Mason University, a regional public in the D.C. area, was among other institutions participating in the higher ed ramp-up tied to Amazon. Officials at George Mason [laid out plans](#) to pump \$250 million in state and institutional funding into the university’s Arlington campus over five years while adding 1,000 faculty members, computing programs and research operations. Specifically, they planned to create an institute focused on digital innovation and to create a new school of computing.

George Mason’s president at the time, Ángel Cabrera, called the development a “watershed

moment,” [telling](#) *The Washington Post* that it would rebrand greater Washington and put it on the map as an information technology hub.

Only time will tell whether George Mason will be mentioned as frequently as Virginia Tech when Amazon’s second headquarters is being discussed.

“I think these regional universities get lost in the shuffle a lot,” says Sandy Baum, a nonresident fellow at the Urban Institute. “There’s a lot of focus on research universities.”

Research universities have greater ability to attract more research funding, out-of-state students and international students. They can also have more political strength. Look at the universities with law schools, some higher ed observers say. They carry the most political power and can be the most likely ones to move upmarket.

Even so, it remains important that regional public institutions have the resources they need to continue their missions, experts say. They have close connections to students who have historically had little access to higher education.

“We’ve seen in the research time and time again, what makes these institutions so special is they are tied to the community,” says Vanessa A. Sansone, an assistant professor of higher education at the University of Texas at San Antonio, who researches issues of equity and success for diverse student populations. “If it were not for us going out to them, they would be completely overlooked.” ■

The State of the Regional Public



The state of regional public colleges and universities is stressed.

Most seem to agree on the point. Even so, it is striking how different constituencies with interests in this group of institutions hold wildly disparate views about where the stress comes from and the most important challenges they face.

Presidents feel sharp funding constraints and mounting political hostility. System chancellors wrestle with the need to better coordinate different individual institutions. Students and parents feel pressed to pay tuition, fees, room and board. Faculty members often believe they are underappreciated, underpaid and whipped around by administrators' ever-changing whims. Board members seem to express a range of opinions. Their feelings include frustration at what they perceive to be institutions' slow pace of change or, on the other end up the spectrum, fierce support for their universities.

Lawmakers are often unhappy with ever-rising institutional budgets and high tuition prices. Think tanks push for more graduates in order to meet postsecondary attainment goals they've deemed to be important. Employers demand recent college graduates with skills that are better tailored to the demands of specific jobs. The public at large appears more and more skeptical of the value of higher education, even when faced with arguments that it offers tremendous return on investment.

Simple logic would seem to dictate that all of these constituencies can't be right. But evaluate the large-scale forces driving changes in public higher education, and it becomes clear that different constituencies can legitimately claim at least some evidence for their conflicting views.

States can in fact be paying more for higher education in total even as they've disinvested on a per-student basis. Institutions can be too slow to change to keep up with economic and demographic trends, even as they've adapted

more quickly than they have in the past. And public universities in some parts of the country can be bursting at the seams with students even as others scramble to fill enough seats to justify the size of their faculties.

To begin exploring the different sources of stress, *Inside Higher Ed* held a series of discussions in both individual and group settings with roughly 100 people who know regional public colleges and universities best. In some cases, these discussions—with board members, presidents, system chancellors, provosts, faculty members, union leaders, association members and consultants—were held on a condition of background so that the leaders would feel comfortable speaking freely about specific issues.

These conversations revealed how regional public colleges sit at the center of massive economic, demographic, social and political changes. They also showed how interconnected those changes are, as well as how regional public universities often feel constrained by historic norms and pre-existing structures.

The pervading thread running through all of these conversations is one of long-building stress.

Stress isn't new for public institutions, which by their very nature are pushed in different directions by their many constituencies. But today it appears to be building from new angles and intensifying, leaving leaders feeling squeezed between unappealing choices they did not have to face previously.

Presidents often bemoan the idea that public higher education has been swept up in the polarization that has seized so much of the national discussion. The old, idealized norms

The pervading thread running through all of these conversations is one of long-building stress.

of institutional governance held that struggles between liberal and conservative politicians stopped at the edge of campus. Trustee and regent slots may often have been positions of patronage doled out by lawmakers and governors, but the boards themselves functioned as important insulation from partisan wrangling. Once appointed, governing board members focused first and foremost on the good of the institution.

Now, however, battle lines clearly extend into the boardroom. College presidents and consultants report appointees becoming increasingly activist. In some cases they seem focused more on winning the culture wars than on stewarding the educational enterprise.

Campus leaders also worry about being caught up in the personal vendettas or pet projects of the lawmakers and governors who control state policy and higher education funding. Sometimes the issue is explicitly partisan. For example, in 2017, an Iowa senator [introduced](#) a bill that would have sought to balance faculty hiring on the basis of partisanship. [The bill](#), which did not pass, would

have prevented hiring if “the person’s political party affiliation on the date of hire would cause the percentage of the faculty belonging to one political party to exceed by 10 percent the percentage of the faculty belonging to the other political party.”

Other times, campus leaders are more worried about unfunded mandates than they are about the party of the lawmaker pushing an idea. Several presidents say they are concerned about lawmakers who want to offer tuition breaks to their own favorite constituencies.

“We’re all for it if the state wants to fund it, but they don’t,” says one president, adding wryly, “We’re constantly fighting them, which makes us popular.”

In some cases, college and university leaders might not even be opposed in principle or in concept to legislative proposals. Instead, they’re worried about ideas being sprung upon them on short notice, whether lawmakers will fund changes appropriately and whether mechanisms can be set up to turn policy into practice.

This could be illustrated by the case of the Excelsior Scholarship, New York State’s free tuition program for in-state students from families earning less than \$125,000 who attend public two-year and four-year programs and agree to live in the state for a time after graduation.

Democratic governor Andrew Cuomo announced plans for the scholarship in January 2017. Lawmakers passed it that spring despite some observers wondering whether the state had set aside enough money to fund the program, estimated to cost \$163 million over three years. As the program was being scaled up over several years, some

financial aid administrators raised concerns about implementation difficulties and asked for more comprehensive guidance from the state. They drew criticism from the governor’s office and system chancellor’s office for creating “unnecessary confusion” by airing their concerns in a public forum. But New York’s state systems soon outlined new resources for the financial aid administrators to use.

Even when college and university leaders think they can face a policy challenge with evidence on their side, they feel boxed in by current political dynamics. Coming from academic institutions, their instinct is to address policy proposals with data. But that can backfire by reinforcing the narrative that they are “pointy-headed liberals,” as one president puts it.

Because they are worried about new legislation or policies popping up without warning, institutional leaders often feel pressure to spend more time with an ear to the ground in state capitals—and more time lobbying. That’s a double-edged sword, though, as they also believe they are likely to draw criticism for increasing lobbying efforts instead of concentrating on their campuses.

Further, regional public college and university leaders worry they don’t have access to the same lobbying tools as others. Several point out that, unlike business executives, public university presidents don’t have the freedom to contribute to politicians’ campaigns. Nor do they tend to have big-name athletic programs or as many powerful alumni rising to hold government power as do public land-grant and research universities.

Once state policies are enacted, they often

push regional public colleges in directions they might not choose on their own. Performance-based funding models don't always incentivize risk taking or collaboration, some presidents say. Depending on how funding models are structured, they could even incentivize behavior that runs counter to the regional public mission—behavior like not enrolling risky and low-income students who may be more likely to struggle to graduate on time.

College and university leaders report intense pressure to focus on science, technology, engineering and math, often at the expense of their more traditional roots in the liberal arts. This is of particular concern because many believe critical thinking, not any particular STEM skills, will best suit students over the long run of their careers as the economy and technology changes.

Students are changing, too. Regional public colleges and universities feel the need to serve more adult students with flexible scheduling and new credentials, leaders say. They're trying to enroll diverse and diversifying student populations that need new approaches to remediation and course scheduling.

Nationwide pushes for institutions to move more students through the college pipeline more quickly cause concern about how fast regional public institutions can adapt. Some leaders at regional publics feel trapped between lawmakers who demand change and faculty members who resist it. In a few cases, the same lawmakers who demand change end up supporting powerful faculty unions when push comes to shove, undercutting the very campus presidents who have to put changes in place, they say.

On the question of tuition rates and financial stewardship, it should be noted that many regional public institutions don't have full control over what they charge. In many cases they must secure approval from a state coordinating board or commission before hiking tuition and fees, and policy makers have been known to exert pressure to keep tuition in check or even to freeze it. When doing so, they don't always provide new offsetting revenue.

Even so, regional public college and university leaders often feel they don't receive credit for how efficiently they run their institutions. They also point to that oft-referenced long-term trend of state disinvestment, saying it constrains their ability to provide students with a high-quality education in an environment where they're expected to keep tuition from rising quickly.

Regional public institutions in different locations serve very different student populations. Most remain aware of large-scale changes in the pool of available students, though. Some reference the looming demographic cliff expected to hit after 2025, when low birth rates 18 years earlier are expected to sharply curtail the number of high school graduates entering college in many parts of the country.

For others, the demographic cliff arrived years ago. And for still others in high-growth states, the chief concern is how to fit a rising number of "nontraditional" college students needing a high level of support into a limited number of seats.

Outside sources of data and leaders who were willing to speak on the record support this picture of stress bearing down from all sides. They also show the state of the regional public institution being influenced by several

key drivers: politics, public perception, state funding, enrollment and demographics, and economic shifts in the country.

Political and Public Perception

When it comes to politics, it is clear that the public is increasingly viewing higher education through a partisan lens. Public polling reflects a widening ideological split between Democrats' and Republicans' attitudes toward higher education, even though both groups are growing more unhappy with it over all.

Gallup [polling](#) released in October 2018 found that the portion of adults expressing “a great deal” or “quite a lot” of confidence in higher education fell from 57 percent in 2015 to 48 percent three years later. The change was

most drastic for Republicans, among whom confidence fell by 17 percentage points to 39 percent. It fell six percentage points, to 62 percent, among Democrats.

Gallup [polling](#) in 2017 found that Republicans with low confidence in U.S. colleges “tend to see the world of higher education through distinctly political eyes.” They say colleges are too liberal, too political, don’t allow students to think for themselves, push their own agenda or don’t teach students well. On the other hand, Democrats expressing low confidence in colleges frequently pointed to issues like higher education being expensive, being poorly run or not enabling graduates to find jobs. Gallup termed Democrats’ concerns “practical aspects” of higher education.

Another survey from the Pew Research Center in 2018 [found](#) 61 percent of Americans thought higher education was headed in

Fig. 1 Confidence in Higher Education

Percentage with “a great deal” or “quite a lot” of confidence in higher education

	2015	2018	Change
	%	%	pct. pts.
U.S. adults	57	48	-9
Republicans	56	39	-17
Independents	48	44	-4
Democrats	68	62	-6

Source: Gallup

the wrong direction. Republicans and those leaning Republican were much more likely to feel that way—73 percent said higher ed was headed in the wrong direction, while only 26 percent said it was headed in the right direction. But a slight majority of Democrats and those leaning Democrat felt higher ed was headed in the wrong direction as well, 52 percent to 46 percent. Younger Democrats felt worse about higher education than those who were older.

High tuition costs were cited by 84 percent of those who said the higher education system was going in the wrong direction, and 65 percent said students weren't getting the skills they need for the workplace. Majorities of both Democrats and Republicans agreed on those points.

Foundations and higher education associations responded with efforts to try to better characterize the value of college. In May 2019, the Bill & Melinda Gates Foundation backed a 30-member panel of experts, higher ed officials and business leaders to study the value of postsecondary credentials. Gates CEO Sue Desmond-Hellmann and American Association of State Colleges and Universities president Mildred García co-chair the effort.

"First and foremost, more than at any other time I can remember, students and families across America are asking themselves, 'Is college worth it?'" Desmond-Hellmann says. "As the cost of a credential rises and student debt goes to record levels, people are actually asking a question I never thought I'd hear: 'Is going to college a reliable path to economic opportunity?' This question of value needs to be addressed, and we feel that it needs to be addressed urgently."

The commission was tasked with proposing a definition of postsecondary value, creating a framework to measure how programs create value, and issuing recommendations to "advance understanding" about postsecondary education's value.

"We recognize that going to college and getting a certificate or a degree has more than just economic returns," García says. "It is also about critical thinking skills, better health outcomes, voting and the like. We will acknowledge those benefits in our work and show the connections between better living and a better life."

State Funding

The political shifts come against the backdrop of long-term and complex changes in the way states pay for public higher education. The prevailing narrative of state disinvestment stressing institutional budgets tells of states cutting their funding for higher education during the Great Recession, just as more students flooded campuses because large cohorts of high school graduates enrolled in college instead of entering a poor job market. A decade after the recession, state financial support for higher education still hasn't recovered.

While that summary is in many ways correct, it misses significant nuance in trends unfolding over the last five, 10 and 25 years. It also overlooks important variations between states.

State and local support for public higher education operating expenses fell across the country from 2008 to 2018. These so-called educational appropriations, which include

state tax appropriations, local tax support and other funding like lottery revenue, dipped from \$90.3 billion in 2008 to \$85.8 billion in 2018, [according to](#) the State Higher Education Finance study from the State Higher Education Executive Officers association.

The data in the SHEF report are adjusted for inflation. The study looks at a swath of higher education funding that is broader than just regional public universities but is nonetheless an important window into the overall funding environment for public institutions.

A drop from \$90.3 billion to \$85.8 billion in educational appropriations represents a decline of 4.9 percent in the 10 years ending in 2018. But the decline came in the first half of the decade, then reversed course. Educational appropriations fell to \$77.1 billion in 2013 and have actually increased by 11.4 percent since then.

Examine a longer period, and total educational appropriations have increased more drastically. They were \$67.2 billion in 1993, meaning they've jumped by 27.8 percent over 25 years, even after adjusting for inflation.

Net tuition collected, meanwhile, has been on an upward march over all of those time frames. Total net tuition across the country rose from a shade under \$30 billion in 1993 to almost \$50 billion in 2008 to \$69.6 billion in 2013 and \$74.3 billion in 2018. That is a 147.6 percent increase in a quarter century, after adjusting for inflation.

The data above don't take into account the number of students enrolled in public colleges, however. That number rose drastically in the last 25 years before leveling off and declining slightly of late. The overall result is that full-time-equivalent enrollment

at public colleges and universities increased from 8.2 million in 1993 to 10.9 million in 2018.

Therefore, looking at public funding and tuition funding on a per-student basis is the more important metric for institutions trying to balance their budgets—it measures how well funding has kept up with enrollment growth. Examining total educational appropriations per full-time-equivalent student shows that state investment per student has declined over the last 10 and 25 years but not over a more recent time frame.

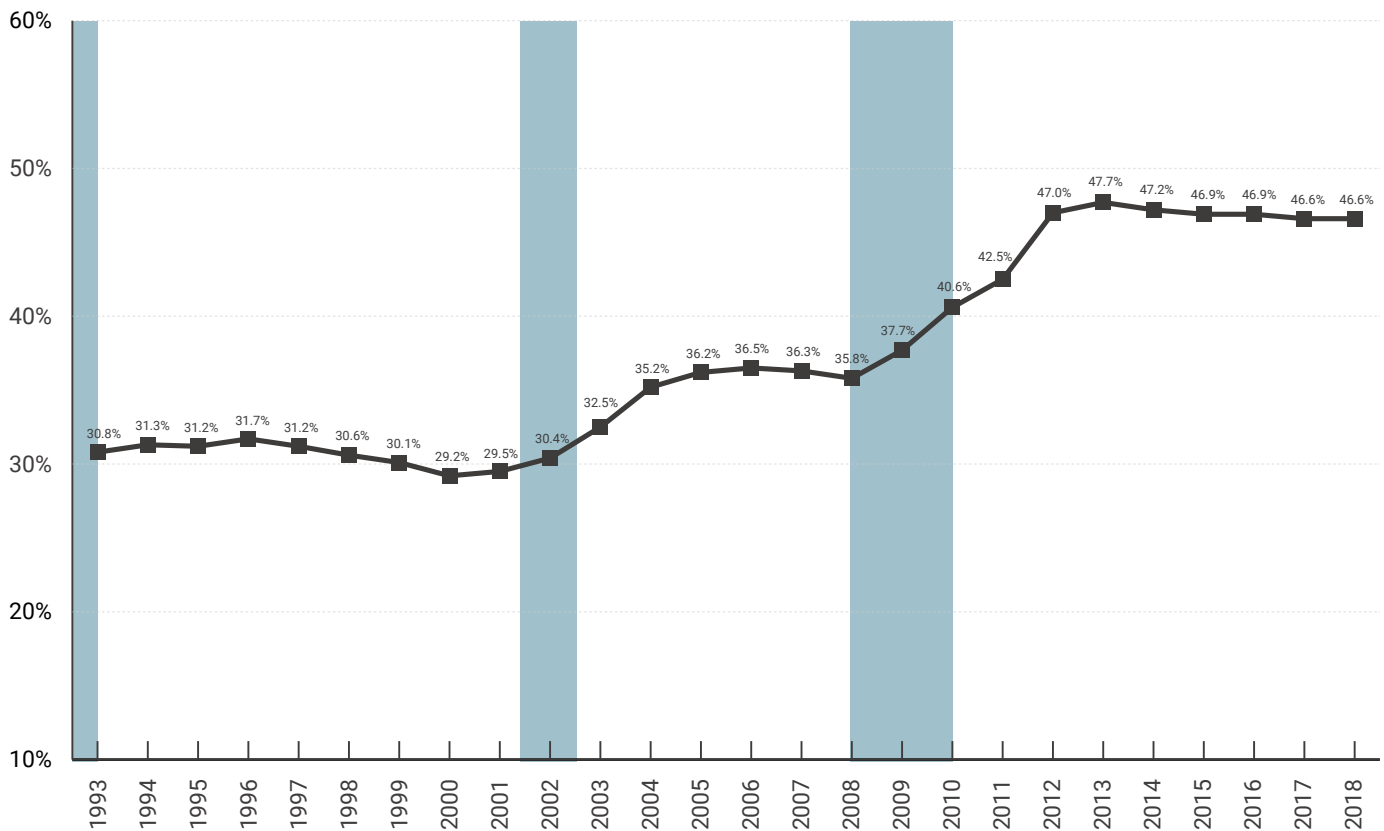
Appropriations per full-time-equivalent student have dropped across the country since before the recession, falling from \$8,848 in 2008 to \$7,853 in 2018, according to inflation-adjusted SHEF data. But average appropriations per student have actually been rising since 2012, climbing from \$6,689 in 2012 to \$7,853 in 2018. The change per full-time-equivalent student came as educational appropriations across the country rose and as enrollment declined.

That wasn't enough to recover to pre-recession levels or levels seen further back in time. After adjusting for inflation, educational appropriations per FTE totaled \$8,200 in 1993, itself a recessionary year. They climbed to a peak of \$9,765 in 2001 before another recession knocked them back down. After a few years, they started rising again until 2008.

Looking solely at educational appropriations per FTE in the last 25 years shows a series of peaks and valleys. The peaks have been getting lower over time, and so have the valleys. As a result, the trend over the long term has in fact been downward.

"It is generally understood that state funding

Fig. 2 Net Tuition as a Percentage of Public Higher Education Total Education Revenue, U.S., FY 1993-2018



Note: Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total educational revenue in calculating the above figures.

Recession

Source: State Higher Education Executive Officers Association

for higher education acts as the 'balance wheel' during economic downturns with funding reductions typically greater than reductions in other budget areas," the SHEF report said. "In part, this is because higher education funding reductions can be offset (in whole or part) with money from tuition increases."

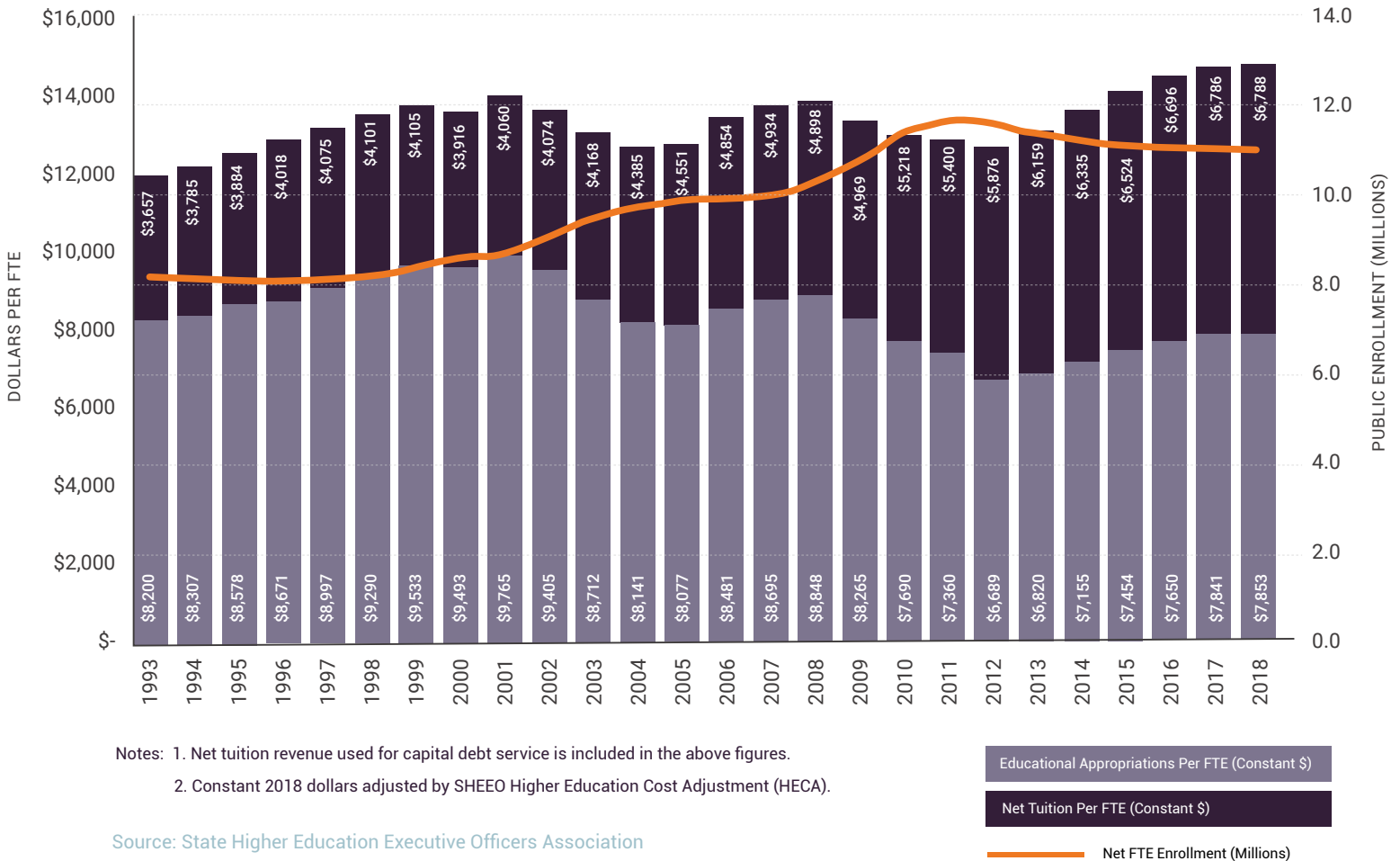
Indeed, net tuition per full-time-equivalent student has not been on a downward trend over either the short term or the long term. It rose from \$4,898 in 2008 to \$6,788 in 2018. Since 2012, it's risen from \$5,876 to \$6,788.

In fact, only twice since 1993 has net tuition per FTE dropped year to year, according to SHEEO data: in 2000 and in 2008. Since 1993, net tuition per FTE increased from \$3,657 to \$6,788.

Taken together, the changes in public funding for higher education and net tuition per student mean that institutions went from relying on tuition dollars for 31 percent of their educational revenue per FTE in 1993 to 36 percent in 2008. By 2018, they relied on net tuition for 46.6 percent of revenue, on average.

A contributing factor to growth in tuition

Fig. 3 Public FTE Enrollment and Educational Appropriations Per FTE, U.S., FY 1993-2018



reliance is simply that more students are enrolled and paying for college today. Also contributing are changes to the enrollment mix. Nonresident students and graduate students, who tend to pay higher tuition rates, have become more prevalent.

Still, this means that the total amount of educational revenue per full-time equivalent is on an upward trend over time. It was \$11,857 in 1993, adjusting for inflation. In 2018 it rose all the way to \$14,566.

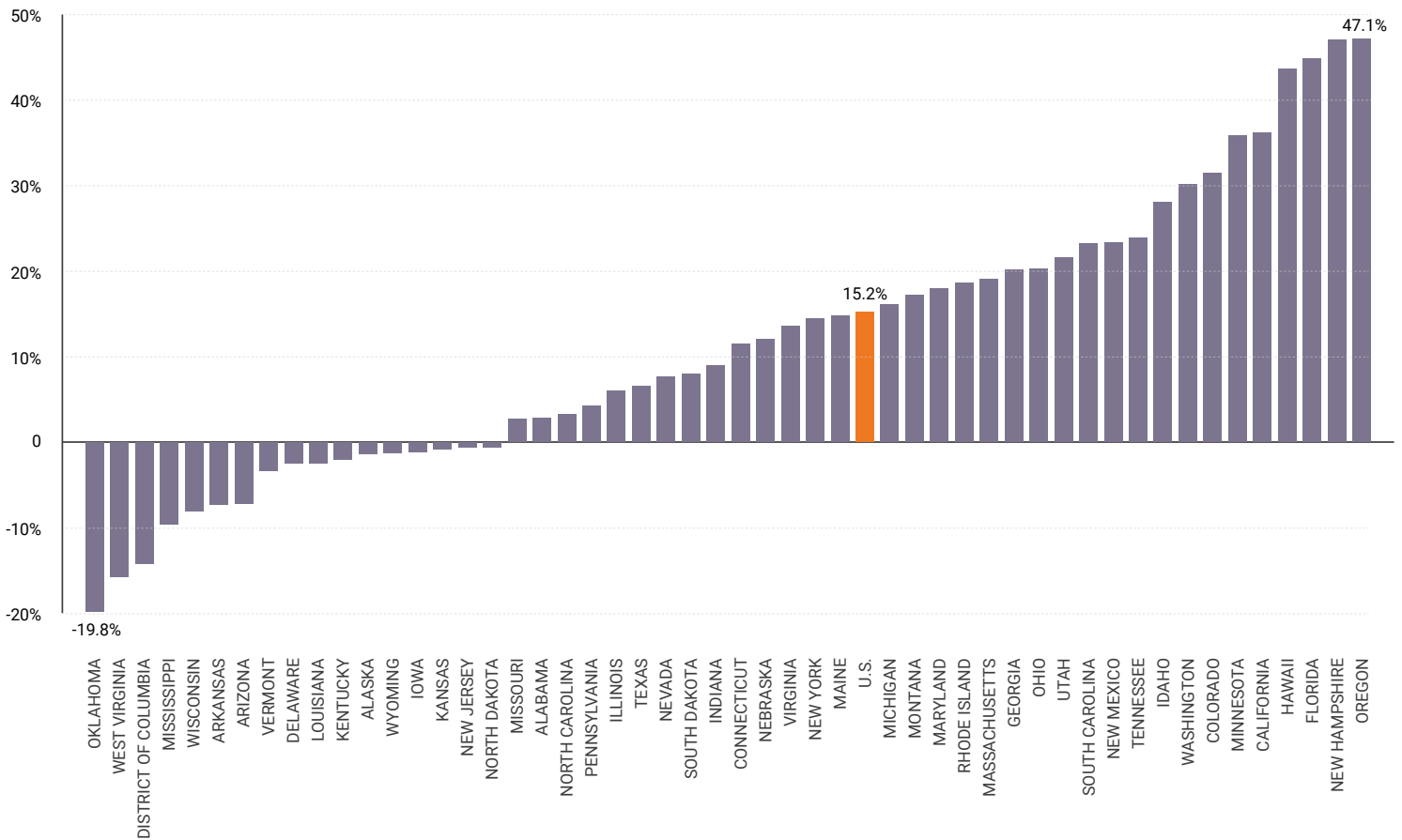
“In 2018, total educational revenue per student is higher than ever before,” the SHEF

report said. “This means that, nationally, increases in net tuition revenue have more than offset reductions in state and local funding per student.”

The share students pay increases most quickly during recessions, according to the report. Then after the economy stabilizes, costs borne by students stabilize before the cycle repeats itself.

This plays out differently in various states across the country—and between different institutions.

Fig. 4 Public Higher Education Educational Appropriations Per FTE: Percent Change, FY 2013-2018 (5-Year Change %)



NOTES: 1. Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education.
 2. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time.

Source: State Higher Education Executive Officers Association

“Even in states with record educational revenues, not all institutions have been able to increase tuition revenues to make up for decreases in educational appropriations,” the report said.

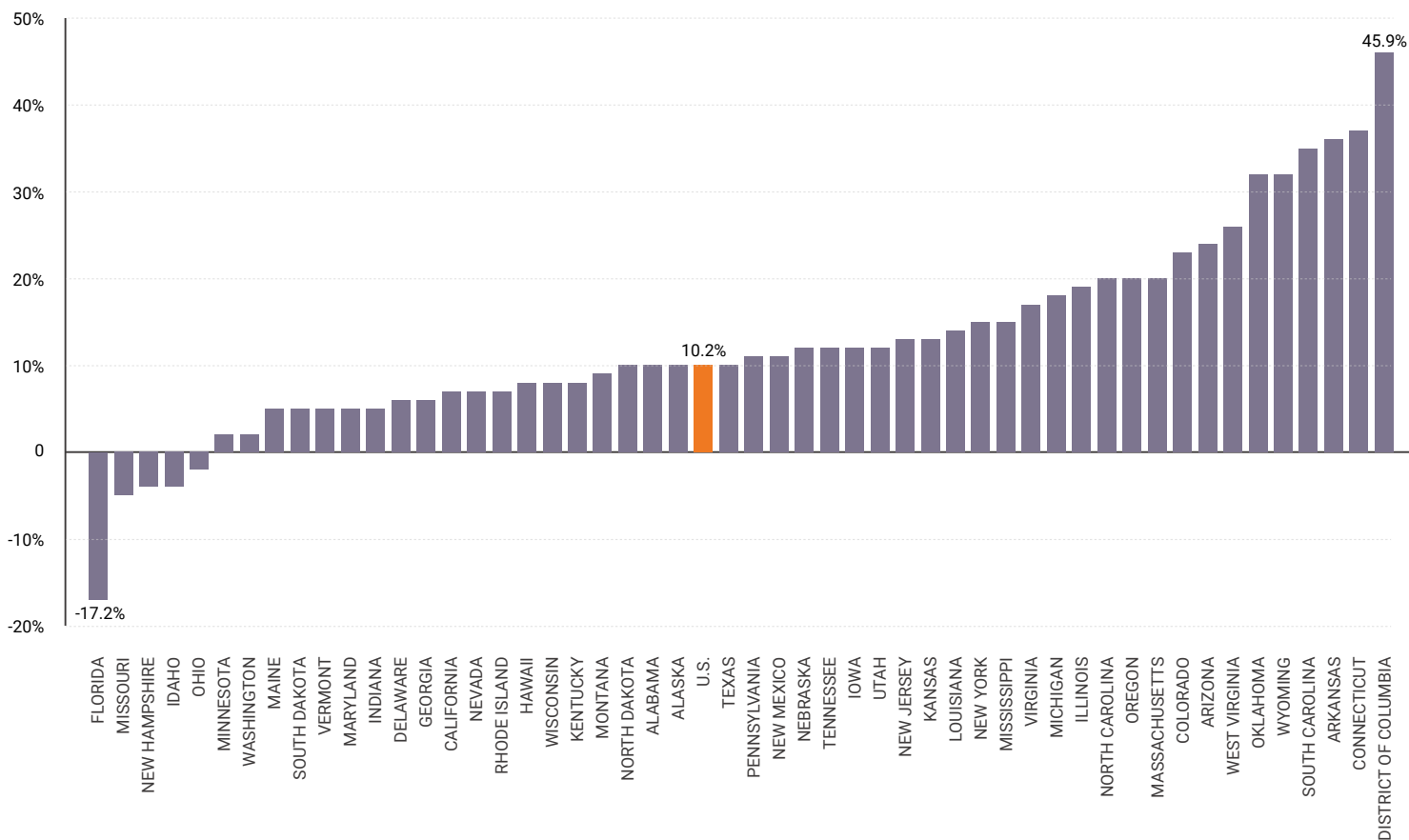
Some states have still seen significant decreases in total educational revenue since the Great Recession. They include Florida, Louisiana, Missouri, Nevada and Texas.

Only a few have experienced increased edu-

ational appropriations for higher education. Just nine states provided more in educational appropriations per full-time-equivalent student in 2018 than in 2008: Alaska, California, Hawaii, Illinois, Nebraska, New York, North Dakota, Oregon and Wyoming.

A snapshot of the most recent five years provides insight into the latest trends in individual states. Higher education appropriations per FTE fell in 16 states, with

**Fig. 5 Public Higher Education Net Tuition Revenue per FTE:
Percent Change, 2013-2018 (5-Year Change %)**



- NOTES:
1. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees. Net tuition revenue used for capital debt service is included in the net tuition revenue figures above.
 2. The U.S. calculation does not include the District of Columbia.
 3. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI) and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time. The District of Columbia is not adjusted for COLI or EMI.

Source: State Higher Education Executive Officers Association

Oklahoma experiencing the biggest dip, 19.8 percent. Oregon saw the greatest increase, 47.1 percent.

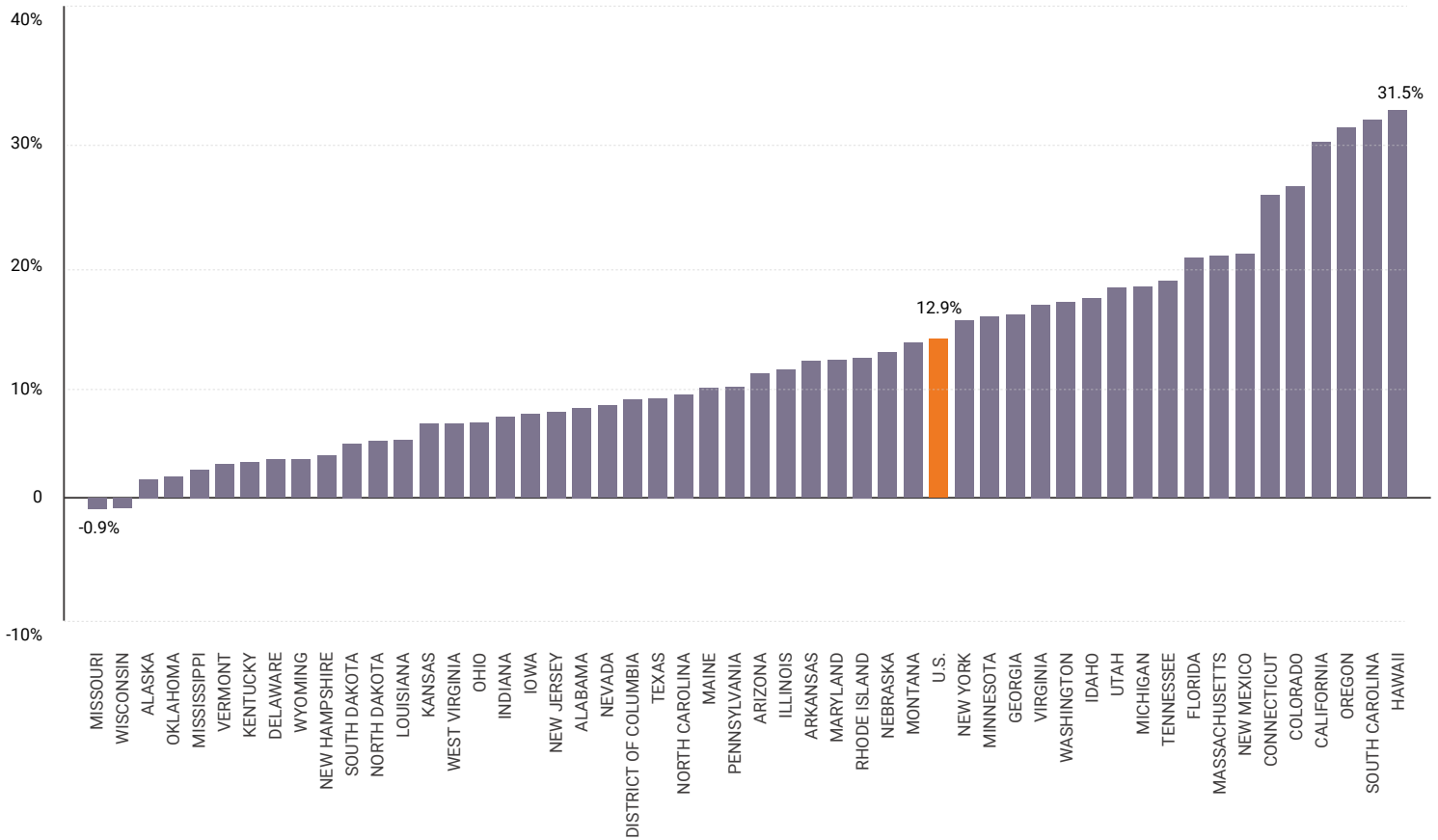
Only five states collected less net tuition revenue per full-time-equivalent student between 2013 and 2018: Florida, Idaho, Missouri, New Hampshire and Ohio.

In sum, total education revenue per full-time equivalent increased over the last five years in all but two states, Missouri and Wisconsin.

Missouri saw total education revenue per full-time-equivalent student decline by 0.9 percent over the five-year period. Wisconsin experienced a dip of 0.8 percent. At the other end of the spectrum, Hawaii's total educational revenue increased by 31.5 percent.

Keep in mind, the rate of change in funding doesn't reflect the states that offer the highest or lowest overall levels of funding. Missouri's

Fig. 6 Total Educational Revenue per FTE: Percent Change, FY 2013-2018 (5-Year Change %)



NOTES: 1. Total Educational Revenue is the sum of educational appropriations and net tuition, excluding net tuition revenue used for capital debt service.
 2. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time.

Source: State Higher Education Executive Officers Association

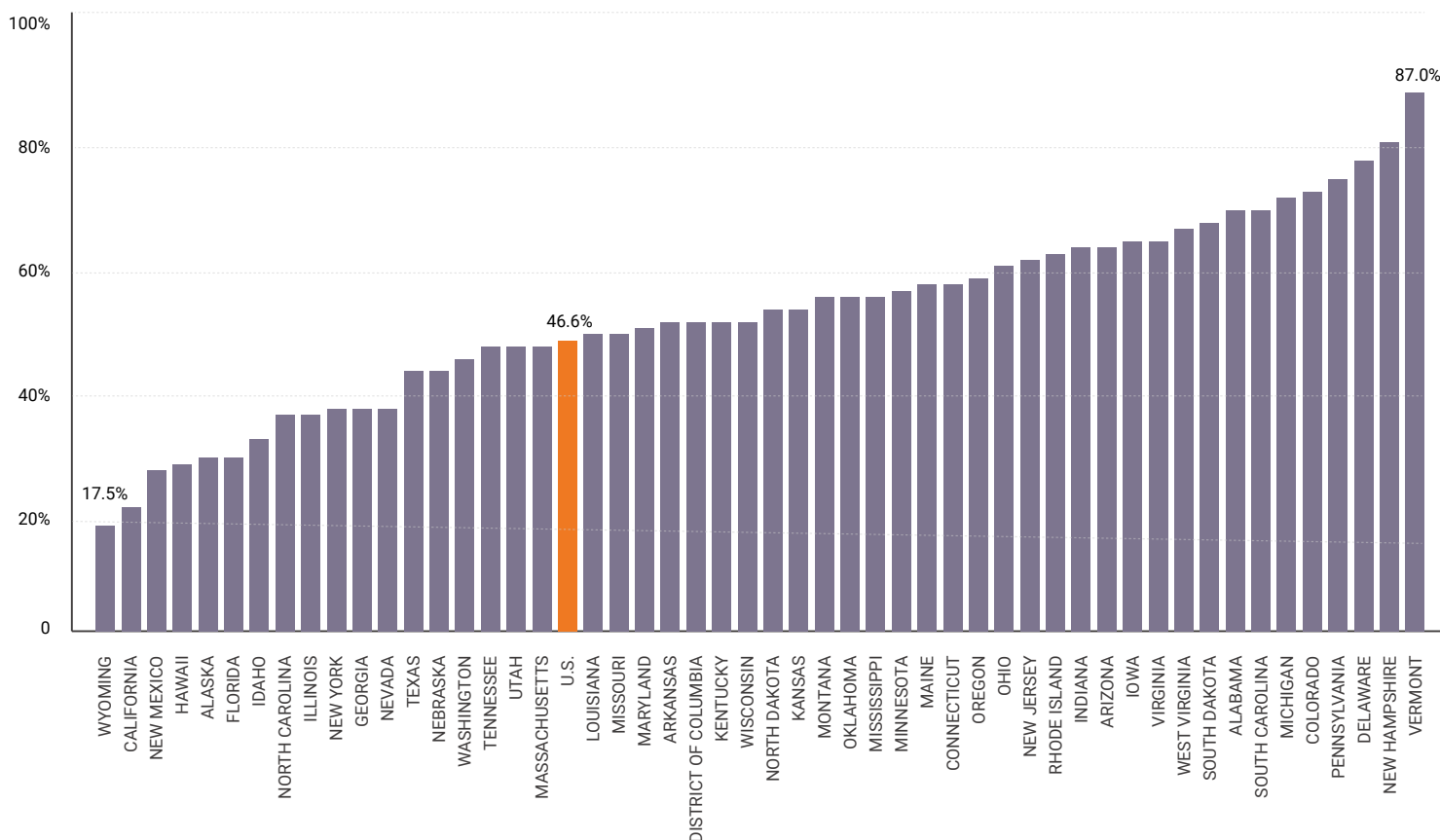
overall level of funding per full-time equivalent was \$13,481, for example. That was below the U.S. average of \$14,566 but ahead of 10 other states in 2018.

The 10 states with the lowest total educational revenue per full-time equivalent in 2018 were Florida, California, Louisiana, West Virginia, Washington, Arizona, Nevada, Wisconsin, New Hampshire and Texas. The 10 highest were Michigan, Illinois, Wyoming, Alaska, Delaware, Alabama, Connecticut, Maine, Indiana and Hawaii.

Reliance on net tuition also varied greatly between states, from a low of 17.5 percent in Wyoming to a high of 87 percent in Vermont. Net tuition was more than half of total educational revenue in 27 states.

On the whole, 2018 had the least change in total education revenue across the country since the SHEF data set began in 1980. This isn't because funding for higher education was stable, though. It's because increases in some states came very close to offsetting decreases in others.

Fig. 7 Net Tuition as a Percent of Total Educational Revenue, FY 2018



NOTES: 1. Total Educational Revenue is the sum of educational appropriations and net tuition, excluding net tuition revenue used for capital debt service.
 2. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time.

Source: State Higher Education Executive Officers Association

Other trends to be aware of include that enrollment declined in 35 states between 2017 and 2018 and that 43 states plus Washington, D.C., experienced enrollment declines since 2013.

The SHEF report noted that state funding for higher education doesn't develop in a vacuum. Slow and uneven postrecession revenue growth across states is combining with an aging population to force states to make decisions about competing priorities. Pension plans are arguably underfunded. Demand for services like Medicaid have only increased.

"This slow revenue growth combined with increased demand for public services, such as Medicaid expansion, have placed added stress on state budgets that in many instances were facing structural deficits before 2007," the report said. "State tax structures have been slow to evolve with the modern economy, and the tax bases in many states have narrowed in recent decades."

Yet many states have adopted higher education attainment goals, according to the Lumina Foundation. The foundation has set its own high-level goal that 60 percent of Americans

hold a credential beyond high school by 2025, up from 37.9 percent in 2008 and 47.6 percent in 2017. As of May 2019, it counted a total of 42 states setting their own attainment goals either in state statutes or in strategic plans. Lumina only counted goals it judged to be quantifiable, long-term and designed to address gaps.

Attainment goals on the books can only be met by better serving first-generation, low-income and adult students, along with students from minority populations, the SHEEO report argued. Those students need more support and services in order to succeed.

"I think this gives credence to the conventional wisdom as far as these resource-constrained environments at these regional public universities," says Rob Anderson, SHEEO president. "There are too many state needs and not enough dollars to go around."

An increased reliance on tuition clearly affects students if they have to pay more or borrow more to attend college. What high-level finance data don't show particularly well is the other ways cuts to public funding for higher education can affect enrolled students.

A 2018 National Bureau of Economic Research [paper](#) from Harvard economist David J. Deming and University of California, Berkeley, economist Christopher R. Walters helps to illustrate some of those impacts. It examines the effects state budget cuts had on U.S. public postsecondary institutions between 1990 and 2013.

The paper didn't look solely at regional public colleges and universities. But it did find that four-year, less selective institutions were found to be most reliant on state appropriations. Community colleges can count on

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“Thus contrary to the narrative of administrative bloat, higher education budget cuts are ‘to the bone.’ ”

David J. Deming
Christopher R. Walters

“The Impact of Price Caps and Spending Cuts on U.S. Postsecondary Attainment”

National Bureau of Economic Research

some local funding, while more selective institutions tend to have additional sources of revenue like endowments and research grants. That leaves midtier institutions—like regional public colleges and universities—most exposed.

Institutions can react to state budget cuts through price increases and their own spending cuts. State budget cuts had large impacts on enrollment and degree completion, Deming and Walters found. Higher prices weren't the driver, though. They identified spending cuts as the culprit.

Their results suggested a causal link between

declines in state funding over the last 20 years and increases in time to degree over the same period. They also suggested a link between state funding cuts and decreases in completion rates.

“We find that budget cuts have large impacts on core spending categories such as instruction and student support, and large downstream impacts on post-secondary attainment,” Deming and Walters wrote. “Thus contrary to the narrative of administrative bloat, higher education budget cuts are ‘to the bone.’ An important caveat is that our results are identified mostly from variation within nonselective public institutions, where per-student spending is relatively low and extravagant consumption amenities are rarely found.”

Budget cuts from states have “large impacts on attainment at many midtier institutions, which ... are important mediators of intergenerational mobility,” Deming and Walters found.

Enrollment

Demographers project that the students who will be graduating high school in the future are shifting in makeup and location. In short, graduating high school students are expected to become more racially and ethnically diverse than they have been in the past. Long-running growth in the number of graduates across the country will slow significantly and begin to reverse course in the middle of the next decade.

Graduates located in areas with the highest historical college attendance rates, the Northeast and Midwest, are expected to decline in number. The number of those in

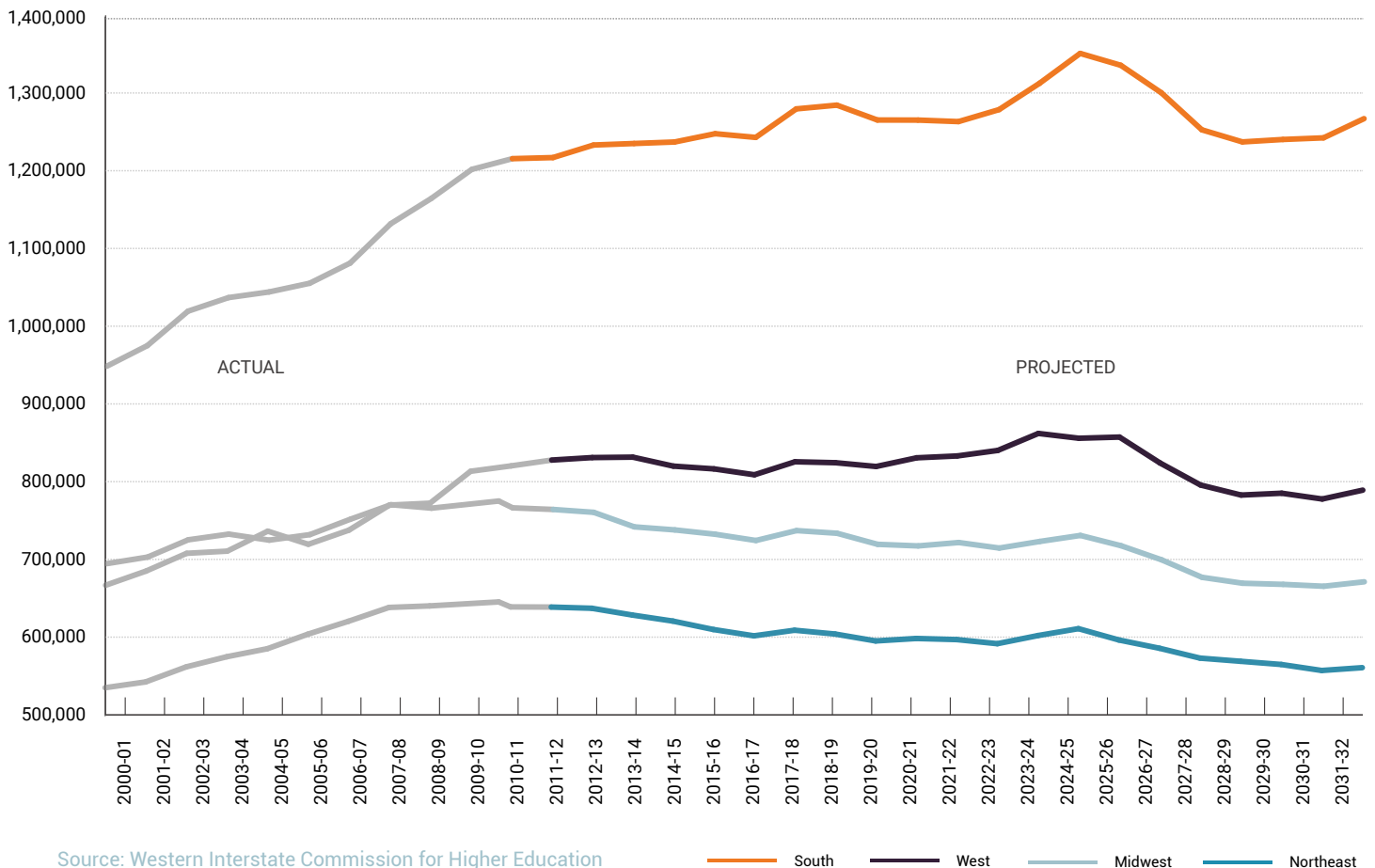
the West and South is expected to increase, at least through 2025, at which point the so-called demographic cliff hits and high school graduates nationwide are expected to fall below levels not seen in decades.

The Western Interstate Commission for Higher Education reported 640,631 high school graduates in 2010-11 in the Northeast. That was the most recent year for which actual graduation data were available in 2016 when WICHE released the latest edition of a recurring report on current and future high school graduates, “Knocking at the College Door.” The report projected numbers of graduates falling to just under 600,000 in the Northeast in 2025-26 and to about 562,000 in 2031-32.

Demographic breakdowns of students in the Northeast are expected to change drastically over that time frame. Among students graduating from public high schools—the only group for which demographic projections are available—white graduates are expected to fall from 67.3 percent of the total in 2010-11 all the way to 53.9 percent of the total in 2031-32. Black high school graduates are expected to stay roughly even at about 13 percent of the total, while Asian and Pacific Islander graduates are expected to jump from 6 percent to about 11 percent. Hispanic graduates are expected to spike from 13 percent to 22 percent of the total.

It's much the same story in the Midwest, where high school graduates are in line to fall from 768,000 in 2010-11 to about 719,000 in 2025-26 and 673,000 in 2031-32. Demographic splits among public school graduates are projected to go from 77 percent white, 13 percent black, 3 percent Asian/Pacific Islander and 7 percent Hispanic in 2010-11 to 71 percent

Fig. 8 Total Public and Private High School Graduates, by Region, 2000-01 through 2031-32



Source: Western Interstate Commission for Higher Education

South West Midwest Northeast

white, 13 percent black, 5 percent Asian/Pacific Islander and 13 percent Hispanic in 2031-32.

In the Western U.S., high school graduates are expected to rise from roughly 820,000 in 2010-11 to 857,000 in 2025-26 before falling to 789,000 in 2031-32. Public high school graduates are expected to go from 48 percent white, 6 percent black, 2 percent American Indian/Alaska Native, 11 percent Asian/Pacific Islander and 34 percent Hispanic in 2010-11 to 42 percent white, 5 percent black, 1 percent American Indian/Alaska Native, 12 percent Asian/Pacific Islander and 38 percent Hispanic in 2031-32.

And in the South, high school graduates are projected to rise from 1.2 million to 1.34 million in 2025-26, then fall to 1.27 million in 2031-32. Public high school graduates are expected to change from 53 percent white, 24 percent black, 1 percent American Indian/Alaska Native, 3 percent Asian/Pacific Islander and 18 percent Hispanic in 2010-11 to 46 percent white, 22 percent black, 1 percent American Indian/Alaska Native, 6 percent Asian/Pacific Islander and 27 percent Hispanic in 2031-32.

To summarize, the South and West will be home to a greater share of total new traditional-age college students than the Northeast and Midwest in the future. Those

students will be less likely to be white and more likely to be Hispanic.

For regional public universities, the outlook is more complicated. The WICHE data aren't a projection on whether students are likely to enroll in college or where they are likely to enroll in the future. Generally speaking, many leaders expect more demand in urban areas than at rural campuses going forward.

"Increasingly, rural areas may be getting even more rural, while urban areas and metropolises are becoming larger in population and more diverse," says Karen Haynes, president of California State University at San Marcos. "We sit here, literally, with demand that we cannot meet that looks like it will go on for quite a while, and a very diverse student population. I know that is not true in many parts of the nation, where public comprehensives are having to try very unique strategies."

A demand index in the 2018 book *Demographics and the Demand for Higher Education* (Johns Hopkins University Press) attempts to make enrollment projections that take into account additional factors in likely future student populations, like parents' educational level, race, family structure and other variables.

Over all, Nathan D. Grawe, the book's author, expects prestigious institutions to continue to experience stronger enrollment demand than those that are less prestigious. He also expects some important geographic differences.

Under his projections, demand for regional four-year colleges is expected to fall substantially between 2012 and 2029 in the Northeast and Midwest—declines of 15 percent or more, in most markets. Even many cities and states

in the South and West could be in line for declines in demand for the sector.

California and San Francisco would see gains over all, but Los Angeles is expected to experience declining demand for regional four-year colleges, for example. South Carolina would see gains; Alabama, Arkansas, Mississippi and Tennessee would experience deep declines; and Texas, Florida and Georgia would hold relatively steady. But various cities in Florida would experience decreases, while Atlanta would experience increased demand.

Grawe, a professor of economics at Carleton College, didn't split regional publics from private four-year colleges in his research. But public institutions tend to be larger than privates, so it's likely patterns at regional public institutions would match his projections, he says.

It's not all bad news for colleges and universities. Recent changes have taken place that could alter the way things unfold from when Grawe made his projections.

"Hispanic enrollment rates increased and now match that of the national average," Grawe says. "It's an important achievement. It's still the case that Hispanic students disproportionately attend two-year colleges, but the increase is well represented in four-year attendance."

Grawe has previously mapped out projections to see what would happen to demand for college if income and race had less of an effect on attendance than they traditionally have had. In both cases, demand for regional four-year institutions improves in some areas of the country, especially in parts of the South and Mountain West. Many regions in the Northeast and Midwest

would still be expected to struggle, though.

In the coming environment, four-year public institutions facing enrollment difficulties could mitigate their problems by increasing access for Hispanic students, Grawe says. They could also do more to help adults retool—helping those who haven't earned bachelor's degrees get such degrees, and helping others earn graduate degrees.

Grawe points out one more major source of concern: college attendance rates for African Americans have fallen in the last eight years or so. Regional public institutions could be a key part of addressing that problem.

It's not as easy as opening the doors wider to bring in different student populations in greater numbers, though.

The president of the University of Alaska system, James R. Johnsen, puts it this way: if he walks into a room filled with well-educated people and talks about the importance of higher education for American political and economic development, his audience will yawn.

They've heard the pitch before and largely accepted the argument. But if Johnsen says the same thing to populations in Alaska that don't have a history of college attendance, he'll get a very different reception.

"I will get an argument," he says. "'Why would I do that? Why would I go into debt? Why would I go to a university?' And when I mean a university, I don't just mean the fancy schools. I mean a welding program. I mean a program to be a dental hygienist or whatever that may be."

Just getting new student populations in the door isn't sufficient, Grawe cautions.

“

“It's not enough to design a program and reach out to students to enroll them... It's one thing to recruit them and another to serve them well.”

Nathan D. Grawe
Professor of Economics
Carleton College

“It's not enough to design a program and reach out to students to enroll them,” Grawe says. “You have to think about all the knock-on effects if these students did come to these campuses. How would they experience the structures that we've set up? It's one thing to recruit them and another to serve them well.”

Economic Shifts

The above trends in state appropriations, tuition and student demographics might not be as concerning to regional public colleges and universities if economic prosperity was rising in lockstep across the country, making it easier for students from different groups to attend college and secure a high-quality job after graduation no matter where they live. They also might not be a challenge if

families and students were habitually moving to different locations to pursue opportunity and education.

Unfortunately, none of that appears to be the case. In fact, the country's economic growth increasingly seems to be concentrated in a handful of states and regions.

Economic disparities have always existed between different parts of the country, of course. Throughout their histories, regional public colleges and universities have acknowledged this and sought to directly address it. They've argued that they are key pillars of opportunity for place-bound students and architects of talented local work forces that can attract economic investment and major employers to a region.

In a perfect world, regional public colleges and universities would play a part in large-scale economic and geographic mobility. Workers who could not find jobs matching their skill sets or interests would migrate to locations where jobs were available and incomes were higher. Capital would in turn be invested back into poor areas, taking advantage of local employees' skills and lower prevailing local wages—wages that are made possible in part by lower costs of living than those found in wealthier areas.

That's the way it worked for much of the last century, according to some researchers. For decades, many of the country's poorer areas seemed to be catching up to wealthier ones.

More recently, the paradigm seems to be falling apart as economists document a slew of concerning trends.

The convergence in regional incomes has been slowing or possibly reversing, and

unemployment based on place has become more persistent, according to a group of economists who wrote an April 2018 [paper](#) for the National Bureau of Economic Research, "Jobs for the Heartland: Place-Based Policies in 21st-Century America." They called the overall effect the "hardening of America's geographic divisions."

The paper itself examined whether place-based policies could address economic ailments in today's America. But the Harvard economists who wrote it, Benjamin A. Austin, Edward L. Glaeser and Lawrence H. Summers, spell out an economic picture that regional public college leaders must consider.

Mobility has fallen, and the country seems to be evolving into "durable islands of wealth and poverty," they wrote. Between those islands, gaps seem to be hardening "into semipermanent examples of economic hysteresis."

Five factors suggest the closing of a "geographic escape valve" that previously allowed workers from depressed areas to find better futures. They are declining geographic mobility, housing supplies becoming more restricted in high-income areas, falling income convergence, increased sorting by skill across geography and persistent pockets of unemployment.

The paper contains a particularly eye-opening statistic. Between 1950 and 1992, intercounty mobility—the share of Americans moving across counties—never fell below 6 percent. Since 2007, it has yet to rise above 3.9 percent.

Even mobility within counties dropped, plunging from over 13 percent in the 1950s to under 7 percent. Declines in mobility were witnessed among both renters and homeowners.

Various researchers have suggested a range of factors influencing declining mobility: poor Americans held in place by public benefit systems that don't cross political boundaries, housing restrictions, the rise of occupational licensing laws restricting movement of workers across state lines. High costs of living in cities may not be offset by higher wages for some low-skill jobs, meaning a blue-collar worker might not experience an increase in disposable income if he or she moves to some expensive cities.

Researchers have frequently pointed out that many of the country's rural regions have fallen behind economically when compared to its most prosperous urban and suburban areas. But movement and economic opportunity are also restricted within many cities and their surrounding areas, where poor residents lack access to transportation or opportunity to relocate.

At the same time, money and opportunity have flowed increasingly into only a few areas. The portion of venture capital pumped into three states—California, Massachusetts and New York—jumped from 43.2 percent in the first quarter of 1995 to 80 percent in the first quarter of 2019, [according to](#) data from the PwC/CB Insights MoneyTree Report.

The report also breaks out 20 different regions where venture capital deals were completed over the years. The top three regions in 1995—the Silicon Valley/South Bay area, the Southeast and New England—accounted for 38 percent of the dollar value of all deals that year. The top three regions in 2018—the San Francisco/North Bay area, Silicon Valley/South Bay area and New York—accounted for 64 percent.

In 1995, the portion of venture capital dollars going to the San Francisco/North Bay area, Silicon Valley/South Bay area and New York was 28 percent of the total tracked by the report.

It's not just venture capital. Facebook co-founder Chris Hughes wrote a May 2019 [op-ed](#) in *The New York Times* arguing for the breakup of the social media giant. His argument was as follows:

In the past 20 years, more than 75 percent of American industries, from airlines to pharmaceuticals, have experienced increased concentration, and the average size of public companies has tripled. The results are a decline in entrepreneurship, stalled productivity growth, and higher prices and fewer choices for consumers.

The same thing is happening in social media and digital communications.

Set aside Hughes's argument about breaking up one of the most important companies in America. It's clear from data, researchers and at least some corporate leaders that the flow of money and ideas has become increasingly concentrated in only certain parts of the country.

This economic picture translates into a Herculean challenge for regional public colleges and universities, which by their nature form the front line for serving all students in their home areas—including those who have been left behind and those who have no ability to relocate. These institutions are in many cases trying to enroll and graduate the very same students researchers have found to be the hardest to consistently reach: students of color, first-generation students



“For place-bound students, many of whom are ‘post-traditional’ students, postsecondary choices are made according to proximity to home and work, making it all the more important to know how geographic opportunity structures vary across the nation.”

Nicholas Hillman & Taylor Weichman

Writing in “Education Deserts: The Continued Significance of ‘Place’ in the Twenty-First Century”
American Council on Education

from working-class backgrounds, rural students and adults who have few other educational options or job prospects.

Whether they are located near booming economies or in slow-to-grow rural areas, these institutions have to educate students to lead productive lives wherever they can reasonably be expected to live.

“For prospective students who live in communities with few educational options, their educational destinations are bound by whatever institution is nearby,” wrote Nicholas Hillman and Taylor Weichman, both of the University of Wisconsin at Madison, in a 2016 American Council on Education [report on education deserts](#). “For place-bound students, many of whom are ‘post-traditional’ students, postsecondary choices are made according to proximity to home and work, making it all the more important to know how geographic opportunity structures vary across the nation.”

Increased online education may be a way to transcend the limits of place, offering students the ability to study at far-off colleges and universities. For the time being, though, infrastructure still limits its possibilities.

“If you’re on campus doing the course online, you’re OK,” says Michael Driscoll, president of Indiana University of Pennsylvania, in western Pennsylvania. “We have great access here. But I can take you about five miles from here to a farm that doesn’t and may still be using dial-up.”

Even if rural students can be educated online, the question still looms: For what jobs are we educating them?

It’s an important question when the perspective of the student is considered. Many students are likely to have to finance their education through student loans. Those loans have to be repaid. When jobs in rural areas pay less than those elsewhere, it compounds

the question of why a student should even pursue a college degree if he or she doesn't want to move.

"That's something I've seen in rural schools: they get this degree, and many of them actually do want to stay because in rural communities there is a tight connection with the community and not wanting to leave," says Cecilia Orphan, assistant professor of higher education at the University of Denver. "But when you have student loans, it's hard."

The answer cannot be that everyone moves to an urban center, says Kim Hunter Reed, commissioner of higher education in Louisiana.

"When the economy changes, we have a responsibility to set a strong vision and to make the case so more people understand why we need more talent development in our state," she says. "We have to think about the key anchor points to strengthen rural communities."

Many different leaders speak of education and health care as such anchor points. But even when needs are clear and interests seem to align, key players—states, higher education systems, colleges and employers—struggle to align themselves.

College leaders point out that economically depressed areas suffer from shortages of well-educated workers like nurses. Presidents in rural and urban areas say nurses are expected to be in high demand across the country in the future.

"I shudder to think that the day could come when hospitals can't remain open because they don't have enough nurses, but this is a problem that we give lip service to occasionally and have not, as a society and a state,

come to grips with," says Bernie Patterson, the chancellor of the University of Wisconsin at Stevens Point, which went through a bruising battle with faculty members over proposed changes to majors in 2018 and 2019. "If we don't have a conversation as a state, at least, about how we're going to manage this going forward, we're going to be in desperate straits."

Nurses are only one example. The same argument can be made about many professions and regions: without a multi-stakeholder conversation about managing economic changes and demands for talent, many regional colleges and their homes will be in desperate straits.

"We've got to figure it out as a state," says Kristina M. Johnson, chancellor of the State University of New York system. "How do we keep from the collapse of population growth into these cities?"

Or if urbanization is inevitable, how can regional public colleges and universities promote opportunity and quality of life in downsizing regions? ■

ILLINOIS AFRICAN AMERICAN ENROLLMENT

Critical Issues: Race, serving local students, state funding

A 793-day state budget impasse helped to make regional public universities in Illinois a stark example of how significantly state funding can affect the enrollment of underrepresented student groups while exacerbating pre-existing issues on campuses.

The impasse also made Illinois a stunning example of how just one university's struggles can have an outsize impact on an entire state's enrollment of African American students.

Between 2013 and 2017, African American undergraduate enrollment across all 11 public universities in Illinois fell from 20,211 to 17,331. The plunge came even though several universities managed to add hundreds of African American undergraduates during that time frame.

Gains on some campuses weren't nearly enough to offset significant losses at four regional public institutions: Chicago State, Northern Illinois, Southern Illinois-Carbondale and Eastern Illinois Universities.

None saw enrollment drop off quite as sharply as Chicago State, a historically black university. Its undergraduate African American enrollment count plunged by a massive 55 percent, or 1,855 students, during the time frame.

At Southern Illinois-Carbondale, undergraduate African American enrollment fell by 900 students, or 33.6 percent. It fell by 519 students, or 19.7 percent, at Northern Illinois and by 469 students, or 31.4 percent, at Eastern Illinois.

The budget situation combined with other headwinds, according to Josh Reinhart, a spokesman for Eastern Illinois.

"Enrollment declines were influenced by a number of factors, including statewide outmigration trends, a decreasing pool of high school graduates and the state's historic budget impasse," he said in an email.

Outmigration data show that the number of state high school graduates enrolling in a four-year college outside of Illinois has been rising for years. The trend seems to have accelerated after the budget crisis.

The state budget impasse hurt both Illinois public universities' finances and a grant program to help students pay for college. When state politicians could not agree on a budget for more than two years starting in July 2015,

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ILLINOIS AFRICAN AMERICAN ENROLLMENT

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funding for higher education only came in fits and starts. Some bridge funding for higher education was provided, but funding for areas including higher education “remained insufficiently appropriated,” according to a report from the state comptroller on the consequences of the impasse.

A state need-based financial aid program, the Monetary Award Program, received money only intermittently. Universities fronted MAP grant money for students during the standoff, but students and families worried they would need to repay the grants if the state didn’t eventually allocate money.

A 2016 survey from the Illinois Student Assistance Commission found that one in seven students receiving MAP grants said they would drop out of class or have extreme difficulty completing course work if the grants weren’t fully funded.

Even though the state did eventually provide funding for the grants, the damage was done, university officials say. State statistics would seem to bear out their arguments.

The number of students claiming a MAP award fell from 136,563 in the 2014 fiscal year to 107,057 two years later, with total funding paid out under the program plunging from \$372.2 million to \$319.8 million. Since then, though, the number of students claiming awards has started climbing. In 2017, awards were claimed by 121,579 students. Then in 2018, a total of 129,517 students claimed awards, although officials have noted that an

earlier filing deadline for the Free Application for Federal Student Aid might have boosted the number of applicants.

Total applications fell during the time frame. The number of students who were offered an award but did not accept rose.

MAP funding aside, a long-term decline in state funding for higher education has also hurt enrollment of underrepresented students, according to a spokeswoman from the Illinois Board of Higher Education, Melissa Hahn.

“While funding has been at best flat, and at worst dismal for Illinois higher education over the last 18 years, the worst point was the budget impasse of 2015, which was immediately followed by the second worst point with the late budget of 2016,” she wrote in an email. “As the state disinvested in higher education, tuition increased and services were stagnant if not reduced. The affected general enrollment—as noted in the latest outmigration data—specifically hurt underrepresented students’ ability to access higher education.”

Illinois Board of Higher Education statistics show that in 2002, state funding for public universities covered 72 percent of their costs. By 2018, it covered only 35 percent.

A loss of African American residents in Chicago and across the state also likely contributed to enrollment declines, Hahn added.

None of the numbers fully capture the complicated situation unfolding in Illinois. The state is lagging in attainment among its African American and Latinx residents. Trends point to the gaps becoming exacerbated in coming

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ILLINOIS AFRICAN AMERICAN ENROLLMENT

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years, according to a state Board of Higher Education annual report, "Underrepresented Groups in Illinois Higher Education," which detailed the drops in African American enrollment.

Statewide, 54.8 percent of 18- to 24-year-olds are white, 17.4 percent are African American and 20.2 percent are Latinx. Outside of Chicago and its surrounding counties, though, the remainder of the state is almost three-quarters white. As the report noted, "Community colleges and many of the regional public universities primarily focus on serving their surrounding areas, and those surrounding areas may vary substantially in terms of racial and ethnic diversity."

That means institutions serving high numbers of African American students—institutions like Chicago State—are critical.

The state budget crisis was not the start of Chicago State's troubles. The university struggled long before 2015.

Enrollment had already been dropping. Graduation rates were low, and some faculty members complained about what they saw as a long history of administrative corruption.

Yet when the budget standoff started, Chicago State was home to well over one in 10 of all African American undergraduates enrolled at Illinois public universities. Then as the budget crisis ground on, Chicago State ground down. Faculty members reported key services being stopped or curtailed. The cafeteria closed for a time, and the library was open only on

weekdays from 9 a.m. to 5 p.m. In 2016, the university declared exigency, cutting hundreds of employees.

Tightening cash flows put the institution at risk for closure. One faculty member likened the situation to lying on the sidewalk after being shot without anyone calling an ambulance.

In 2015, Chicago State enrolled 2,602 African American students. By 2017, it enrolled 1,515, a drop of 41.8 percent in just two years.

"I think we were particularly hard hit because of the scholarship dollars," says Zaldwaynaka (Z) Scott, Chicago State's president, pointing out that a majority of the university's students are eligible for MAP or Pell Grant funding. "And also that loss of operational dollars: we were threatened with closure."

Scott took over at Chicago State after the budget impasse ended, becoming the fifth person to be the university's president or interim president between December 2015 and June 2018. She set about trying to rebuild recruiting, enrollment and retention.

Strategies include re-establishing recruiting relationships with public schools within a five-mile radius of campus, building a dual-enrollment program with nearby schools, extending in-state tuition to out-of-state students, broadening the university's traditional recruiting territory in the Chicago area and throughout Illinois, emphasizing articulation agreements with community colleges, and adding in-demand majors like logistics and an executive M.B.A. program. Student

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ILLINOIS AFRICAN AMERICAN ENROLLMENT

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success efforts, scholarships and shortening students' time to degree were also points of emphasis.

Traditional metrics don't look particularly good for Chicago State. Its six-year graduation rate for full-time students seeking a bachelor's degree was 12 percent for the group that started classes in fall 2011, according to federal data. Its eight-year rate was 17 percent for the group starting in 2009.

One caveat is that the university serves a large number of nontraditional students. More than a third of both its undergraduate and graduate students attended part-time. Almost two-thirds of undergraduates were over the age of 25.

Chicago State also admits a relatively large number of students from low-income backgrounds. More than a quarter of its students were from families making less than \$20,000 per year, according to economist Raj Chetty's study of colleges and economic mobility. A Chicago State student had a 32 percent chance of moving up two or more income quintiles—the 33rd-best rating for a selective public college and tied for the second-best rating for a college in Illinois.

So even if Chicago State has not been the ideal university, it has been a pivotal feature of higher education in Chicago and in Illinois.

"This is an equity issue," says Scott, a former Chicago State trustee and former assistant U.S. attorney.

Scott acknowledges Chicago State continues to face challenges. College enrollment from many of the high schools located near the university has been dropping.

More broadly, she worries that what is happening in Illinois is also happening across the country.

"What we are seeing is what's probably playing out nationally," she says. "There is a decline in African Americans attending college. That should be considered a crisis for those who are interested in closing the wealth gap between African Americans and the majority communities." ■

Themes That Will Define Regional Public Universities



The state of the regional public university is complex. It varies from state to state and from institution to institution. Still, three broad themes have emerged in recent years that will shape the future of this important slice of the American higher education ecosystem.

1. The current resource-constrained environment is unlikely to change. Regional public universities must rely on their own creativity to survive, thrive and meet their missions. Trends in state finances and student enrollment make it unlikely that the vast majority of regional public institutions will feel flush with cash in the foreseeable future. Institutions must look beyond the traditional paradigm of using public funding and tuition to fuel budget increases. That might mean operating more efficiently, bringing in new sources of revenue or finding new partnerships. Changes should not come at the expense of serving core student constituencies who have no other educational options.

2. Regional public universities often find themselves misaligned with student needs and demands. Managing change to meet students where they are will be key to the future. While leaders and faculty members work tirelessly to serve students, many colleges and universities nonetheless find themselves out of step with students in one or several of the following areas: tuition rates, program mix, student support levels, curricular requirements, class times, class delivery methods and culture. Fighting reflexive resistance to change while still preserving quality is an increasingly important balancing act that will require skill and coordination, often across higher education systems.

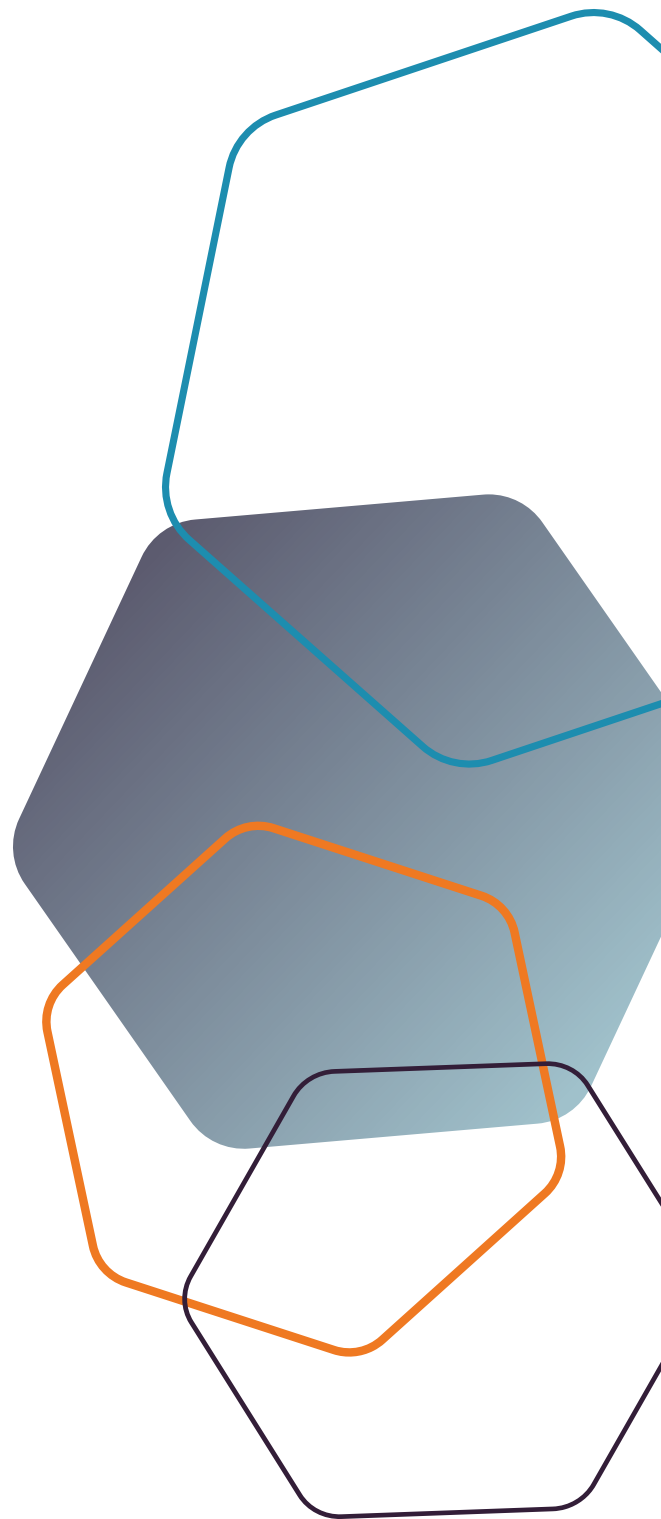
3. Place matters as much as ever. The exact nature of any particular regional public institution's challenges is dictated by its location—whether it is struggling to keep up with the number of students in overcrowded

California or hemorrhaging enrollment in Vermont, and whether it is fighting to train students for changing technologies in local high-growth industries, seeking the best way to educate students for a satisfying life in a depressed local economy, or spearheading development intended to revitalize a region. Place dictates the roles a college or university will fill in a community and the choices it must make.

In light of those trends, an important question looms large:

At a time when so much economic growth has been focused on only certain geographic areas and in specific communities, how can regional public colleges and universities best serve those students who have been left behind? Although the answers may be different, the question must be answered by both the regional public university in a rural area with few current job opportunities and the college in a booming city where unemployment rates are persistently higher for certain groups of minority students.

Many of these issues can only be fully addressed if higher education institutions coordinate with each other and work with politicians and business executives at multiple levels. But they will also require leadership from presidents, chancellors, administrators and board members at regional public colleges and universities. ■





Tomorrow's Regional Public University

Tomorrow's regional public university will need to fill many roles to stay relevant in a fast-changing world, higher education leaders and experts say.

It will need to continue in its long-standing role providing a four-year education for the masses. Educating traditional-age students from surrounding areas will remain important, even as cohorts shrink and grow more diverse in many parts of the country.

But tomorrow's regional public university must also change who it serves. Adults will return to finish degrees. Others will seek to upskill or reskill. Tomorrow's regional public university must adapt to meet the needs of those students so that it can provide them with true opportunity instead of treating them only as a source of fresh revenue.

Connections with outside parties and surrounding communities will become ever more critical. Tomorrow's regional public university

will need to build connections with school districts, community colleges, employers, policy makers, governments, associations and other outside entities like corporations. Doing so will enable it to bolster local communities, better integrate knowledge and career pipelines, and strengthen its own financial standing in a time of constrained state funding.

Success will require an entrepreneurial mindset, a willingness to break down old barriers and an ability to prioritize what is important.

Tomorrow's regional public university will also need sharp elbows from time to time as it competes for resources and opportunities against other institutions. And it will need to be efficient and effective, as state lawmakers and other constituencies demand good outcomes and accountability in return for their support and their money.

The days of blind support for regional public universities—and higher education in

general—seem to be over. New structures are necessary to create an institution that can adapt to change, spearhead community development, move students through the education pipeline quickly and support their quality of life.

It should be pointed out that this vision is not set in stone. Various major events could rock the higher ed ecosystem—unforeseen economic shifts could pump capital into unexpected areas, radical reforms in the next reauthorization of the Higher Education Act could rewrite college accountability and the continued spread of the free college movement could revamp the way America pays for college. A large number of private colleges could close their doors in the face of intense pressures bearing down on that part of the higher education sector, sending the students who would have otherwise attended private institutions to attend regional public colleges. A nationwide economic downturn that cuts the number of available jobs could increase the number of students interested in attending college.

Many of those events are difficult to predict. So is how, exactly, they would affect regional public colleges and universities. An economic downturn could help enrollment challenges by sending more students to college, but it could also hurt public funding levels if higher education once again serves as the balance wheel for state budgets. And there is no guarantee the influx of students will land primarily at regional four-year colleges instead of two-year institutions. The closing of private nonprofit colleges could likewise alleviate enrollment pressures, but given the relatively small size of many private institutions, few leaders at public institutions are counting on

this to change the course of the future.

Even if such changes take place, regional public institutions are still likely to emphasize certain models and strategies in the future: student success initiatives, competitiveness, structural innovation and a systems focus. All strategies won't fit every institution, of course. But they can be building blocks for a changing model.

"The model of the regionals was a very important model for this country and continues to be an important model," says Fritz Erickson, president of Northern Michigan University. "But the model has to adapt."

Student Success

It doesn't matter whether a college or university is in a market expected to have fewer traditional-age students or one projected to experience increases in the future. Student success initiatives and other efforts to meet students' needs are likely to be a growing part of tomorrow's regional public institution.

"Over the next 10 years, the absolute critical issue is going to be student success," says George Mehaffy, vice president for academic leadership and change at the American Association of State Colleges and Universities. "It's tied to funding and tuition. It's tied to state expectations and performance funding. It's tied to data that is now available that was never available before."

A broad range of initiatives can be lumped under the umbrellas of student success and meeting students' needs. For traditional and well-prepared college students, there is the 15 to Finish campaign, which encourages

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“Over the next 10 years, the absolute critical issue is going to be student success.”

George Mehaffy

Vice President,

Academic Leadership and Change

American Association of State Colleges and Universities

traditional college students to enroll in 15 credits each semester so they stay on track to graduate in four years. There is dual enrollment with area high schools so that students can earn college credit before finishing high school.

For first-generation students, students from nontraditional backgrounds and students who are deemed to be arriving on campus underprepared, emphases center on student support services. Evening and weekend classes are expected to be critical so colleges and universities can serve busy students who must work at the same time they pursue a degree. So are online delivery options. Meanwhile, the need for remedial courses is being questioned—and such courses have been thrown out at the largest public university system in the country, the California State University system.

When students start struggling, newly available data and a focus on analytics can help institutions intervene quickly. Georgia State University earned widespread attention for frequently reviewing grades and records so that advisers can meet with students showing signs of risk in order to get them support they need.

Career pathways programs emphasize clear program mapping to help students move through courses, earn degrees and enter the work force. A focus on making sure credits transfer across institutions aims to prevent transfer students from having to repeat classes they've taken elsewhere.

The points affecting transfer students are particularly important because rising numbers of adult students and low-income students may be transferring in to regional public universities from other institutions, including community colleges.

“Any time one switches an institution, the probability of slowing down or something happening gets a lot higher,” says Angela Boatman, assistant professor of public policy and higher education at Vanderbilt University. “Are there ways to smooth the transition? I think that question is so important right now because of the incentives for students to start at two-years.”

For adults, online options, night and weekend classes, and various certificates can be designed to help students who must fit higher education in around busy lives filled with work, children and other demands. Certificates or badges might also offer short-term value for adults and other students who are unable to complete a degree quickly. Such short-term options can be affordable for students who

are cash-strapped or unable to commit large sums of money over time to pay for multi-year degrees. They can also act as important signals of skill and employability in a job market in which executives have been pushing for more credential innovation.

Generally, the emphasis is trying to make the experience easier for students so that they can move as quickly, inexpensively and seamlessly through college as is reasonably possible without diluting educational quality. For students, this decreases the likelihood of dropping out or having to spend extra money on unnecessary credits. For institutions, it promotes efficiency and potentially opens new markets. And for policy makers, it shows effectiveness.

"One thing you have to recognize is that while your traditional customer base is getting smaller, there's a large base out there that is not served or served well," says Jeb Spaulding, chancellor of the Vermont State Colleges. "Colleges need to find ways to provide a meaningful education program for people who have not traditionally gone on, or for adults that have stopped. We're doing seven-, eight-week semesters online. Certificates. Three-year bachelor's programs. We take advantage of the early-college program in Vermont."

Implementation of these initiatives has been uneven across the country and within institutions. It is not difficult today to find a system chancellor who wonders whether common course numbering will ever arrive across different colleges within his system, nor is it hard to find an administrator bruised over new programs or revised general education requirements.

Still, signs exist that change can come faster

than the casual observer might think. When the American Enterprise Institute analyzed federal data to examine institutions offering online classes and programs, it found that 95 percent of public four-year institutions offered at least one online course in 2016. Between 2012 and 2016, the portion of degree-granting public institutions offering at least one online program jumped from 62 percent to 76 percent, according to the AEI [report](#), "The Promises and Limits of Online Higher Education."

In cases like that of Cal State, which doesn't have the capacity to meet all of its student demand, reducing resistance within the higher ed pipeline theoretically means more students can earn degrees without a massive influx of new funding. Students who are not forced to repeat classes or take excess credits cut demands on limited institutional resources. They are more likely to finish their degrees in a timely manner and graduate happier after paying less in tuition over time.

The 23-campus, 484,000-student Cal State system has taken several noteworthy steps in recent years to boost graduation rates, improve credit transfer and change remediation practices. In January 2016, the system launched what it calls its Graduation Initiative 2025, aiming to increase freshman and transfer graduation rates while also eliminating equity gaps for underrepresented minority students and Pell-eligible students. Efforts under that initiative include hiring more tenure-track faculty members, pushing to redesign courses with high failure rates, increasing online course offerings and advancing what's called the Associate Degree for Transfer Program so that transfer students will have a clear way to complete degree requirements.

Cal State also focused on making sure students had the chance to complete 30 credits before the beginning of their second academic year. Part of that was a controversial reworking of remediation.

In August 2017, the system office issued an executive order discontinuing stand-alone developmental education courses for no college credit beginning in fall 2018. About 40 percent of Cal State's first-time students, 25,000 students, were being told that they were admitted but not ready for college-level course work in math or English. Those students were then sent to developmental education courses that didn't count toward their degree requirements.

A student funneled into such developmental courses had less of a chance to accumulate credits during his or her first year on campus than one not placed in developmental courses. Leaders also saw the classes as a major contributor to attrition, because a quarter of students assigned to developmental education didn't return for a second year of classes. Just 10 percent earned a degree within four years.

Students from historically underrepresented communities were more likely to end up in developmental courses, says James T. Minor, assistant vice chancellor and senior strategist at Cal State. And developmental math wasn't necessarily setting students up for long, successful STEM careers. Many weren't majoring in anything math related.

"The students who were most likely to be assigned to developmental education were black or brown first-generation students," Minor says. "For many students who are journalism majors, who are communications

majors, who are English majors, who are political science majors, that math or quantitative reasoning course is their terminal math course for their degree program."

Instead of the existing developmental education model, the executive order called for students needing additional academic support to be placed in credit-bearing college-level courses that also strengthened their skills—with supportive course models like co-requisites, coordinated supplemental instruction or formats stretching a course beyond a single term. Extra support was also to be attached to courses. Cal State tried to offer more support for faculty members.

In the first fall the change was in place, Cal State recorded significant improvements in math but not in English.

Before the change, in the fall of 2017, a total of 17,371 students were deemed in need of additional academic support in math. Just 1,438 attempted a lower-division math course, and only 950, or 5 percent of the total in need of support, completed a course with a grade of C-minus or better.

In the fall of 2018, a nearly identical number of students were said to be in need of additional academic support in math, 17,417. The number attempting a lower-division course went up by more than 10,000, to 11,988. And 46 percent of the pool, 7,952 students, completed a course with a C-minus or better.

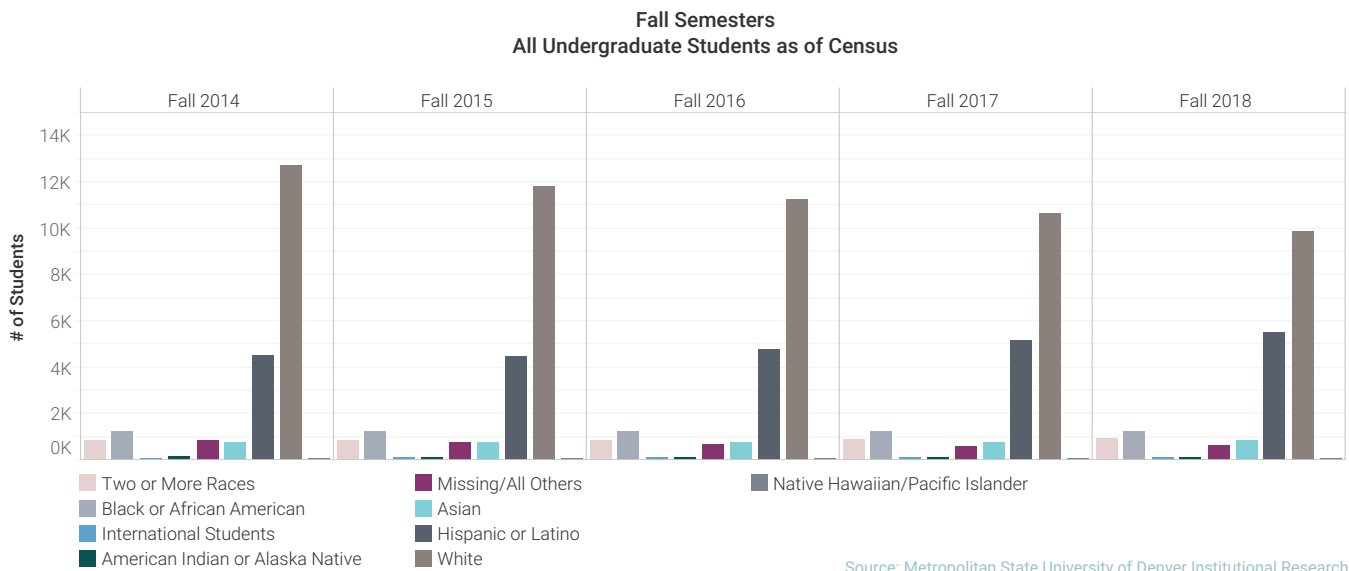
For English, 11,138 students were in need of additional academic support in the fall before the executive order went in place. A total of 7,974 attempted a lower-division written

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BECOMING A HISPANIC-SERVING INSTITUTION

Critical Issues: Managing change, diversifying the student body, state funding, student support

Fig. 9 Metropolitan State University of Denver Enrollment, by Race/Ethnicity, 2014-2018



Hispanic students made up approximately 18 percent of all public high school graduates in Colorado in 2007. In a decade, they would be about 30 percent of high school graduates, according to demographers' projections.

That year, what was then called Metropolitan State College of Denver started to try to recruit and retain more Latinx students, aiming to ultimately become a Hispanic-serving institution. A dozen years later, the institution—since renamed Metropolitan State University of Denver—received federal HSI recognition.

That means the university successfully doubled its reported enrollment percentage of full-time-equivalent Hispanic students. In 2007, it reported 12.5 percent full-time-equivalent Hispanic enrollment. Institutions must have at least 25 percent Hispanic enrollment to be named HSIs.

Undergraduate enrollment over all has actually been shrinking in recent years. Metro

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State [enrolled](#) a total of 21,179 undergraduate students in the fall of 2014. It enrolled 19,258 in the fall of 2018. During that time, the undergraduate student body went from 21.3 percent Hispanic or Latino to 28.4 percent Hispanic or Latino. The change came as the percentage of white students dropped from 60.1 percent to 51.4 percent.

The university diversified even as it operated in an environment of severely restricted state funding. It received \$51.6 million in state appropriations in 2018, an increase of roughly \$9 million from 2007. Over the same time period, expenses grew by more than \$95 million as operating expenses rose, non-operating expenses increased after the university took on bond debt and started interest payments, and as the university added master's programs.

Changing the enrollment mix and securing HSI designation wasn't easy, Metro State leaders say. It was, however, necessary to serve both Hispanic and non-Hispanic students in a time of tight budgets.

"I think that is helpful for our Hispanic population, our coming-up high school kids, to say MSU is a really good place for us," says the university's president, Janine Davidson. "The second thing, substantively, is it unlocks our ability to access some federal dollars."

HSI designation won't be a panacea for the university's challenges. Available grant dollars aren't huge, Metro State leaders say. They expect the grants to be worth a few

million dollars here and there. It's unlikely to be enough to offset any future losses in state funding, but it could help pay for critical student support services, plus other priorities like faculty development, creating transfer pipelines, and distance learning.

The strategies Metro State used to pursue HSI designation over a dozen years are worth studying for other institutions seeking to adapt to tight budgets and changing student demographics. No single move made HSI designation possible, leaders say—although they proudly point to one political fight they picked along the way.

University efforts included strategies grouped around outreach to pre-K-12 schools, transfer and enrollment initiatives, financial aid, and advocacy and policy development, according to one university HSI task force report from January 2016. They also included addressing parts of the institutional infrastructure, like guidance and support to help Hispanic students from the time they enroll to the day they complete their degrees.

Stephen Jordan was Metro State's president when the HSI initiative launched. One program that he singles out was built around a hotel that is part of the university's hospitality program. The university took \$200,000 in profit from the hotel and went out to local school districts with large Hispanic populations, he says. Then it offered to match local scholarship dollars, guaranteeing five-year scholarships for students.

It took about two weeks to match \$200,000 worth of scholarships, Jordan says. The

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BECOMING A HISPANIC-SERVING INSTITUTION

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university went back for another \$300,000 to fuel what became a very powerful tool.

"It was very thoughtful, because it was a five-year commitment, and it had a scholarship component for tuition, fees and books, and a support component," Jordan says. "It's that kind of intentionality that was part of this effort throughout: people really paying attention and coming up with good ideas about things where there was sufficient data out there."

Other steps to help students enroll included sending admissions counselors who speak Spanish to high schools with a large number of Hispanic or Latinx students. Metro State also focused on trying to improve retention rates for these students, boost graduation rates for them and add tenure-track faculty members. Leaders committed to hiring faculty members of color so that students would see faculty members who looked like them.

Even tenure processes changed. If a faculty member of color drew a mixed review resulting in a recommendation to terminate, administrators compared dossiers on that faculty member and a similarly situated white faculty member from the same department who had received tenure. Jordan would then make a final decision based on staff recommendations. He ended up overriding some tenure decisions.

It was controversial, but Jordan hopes faculty members appreciated the fact he wasn't just functioning as a rubber stamp.

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“One of the things the faculty themselves had to discover: they could all be winners in this process.”

Stephen Jordan

President Emeritus

Metropolitan State University of Denver

Changing the institution took time, Jordan says. It was also important that all parts of the university felt involved, and that non-Latinx students understood that the entire institution would benefit from the HSI designation and newfound diversity.

“One of the things the faculty themselves had to discover: they could all be winners in this process,” Jordan says. “They’ve got to see how it does benefit them.”

Another controversial move came in 2012, shortly before President Obama announced the federal Deferred Action for Childhood Arrivals policy. Metro State decided to offer reduced tuition rates for undocumented

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BECOMING A HISPANIC-SERVING INSTITUTION

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students who graduated from Colorado high schools after attending for at least three years. The move dropped the price of tuition for undocumented students from roughly \$16,000 to about \$7,000 per year.

The new tuition level, which was still higher than base in-state rates for Colorado residents, drew plenty of attention. Metro State acted without state legislators' authorization. Lawmakers had tried and failed six times over a decade to create a discounted tuition rate for undocumented students.

Some state officials were not happy. University officials argued they had set tuition to match the amount it cost to educate students and that public money wasn't being used to educate undocumented students. Colorado's attorney general remained unmoved, [saying](#) Metro State's discounted tuition was a "public benefit" that could only be "provided to individuals who prove their lawful presence" in the country.

"The budget committee threatened to take some funding away," says Michelle Lucero, a former chair of the board at Metro State who was vice chair when the tuition policy for undocumented students passed in 2012. "We took some big hits. We got threats. But does anyone on our board second-guess that decision? No. We tend to do big, bold, brave things."

Less than a year after the university made its decision, the state Legislature passed a bill making undocumented students who meet

certain requirements eligible for in-state tuition in Colorado. The state's governor signed it into law at Metro State.

Although the policy change didn't drive a large number of undocumented students to immediately enroll—311 students had enrolled under the new legislation at Metro State as of fall 2015—university leaders say forcing the issue in 2012 helped to create a campus environment Hispanic students see as welcoming.

One more change has helped Latinx and Hispanic students succeed, says Jordan, the university's president emeritus. The institution added graduate programs and junior- and senior-level courses that could be counted toward master's degrees. It showed undergraduates who are in classrooms with graduate students that they're capable of completing the course work, Jordan says.

It could be seen as mission creep. Offering master's degrees forced Jordan to grapple with the fact that he believed Metro State should be a baccalaureate institution.

He approached the change by considering how the institution was already preparing young people for careers in almost everything it did.

"If that is our core mission, why isn't that equally applicable at the master's level?" he asks. "This is not about research. This is really about professions, and when we started, we started with only three areas. They were areas where we felt we had high competency: teacher education and business and social work, where there was a huge demand."

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BECOMING A HISPANIC-SERVING INSTITUTION

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The university's office of graduate studies now covers nine programs, including certificates in human nutrition and autism and significant support needs.

Efforts to achieve HSI designation weren't all major operational changes. Some were clerical. An identity campaign encouraged students who hadn't been identifying their race to do so when the university collected data, enabling its statistics to better reflect the students who were already enrolled.

Demographic projections, meanwhile, have panned out. Hispanics were 29.9 percent of all public high school graduates in Colorado in 2017-18, according to state Department of Education data. They accounted for more than 55 percent of graduates in Denver schools.

Some leaders say Metro State, founded in 1965, has been able to adapt in part because of its youth. But its willingness to change and take risks while finding ways for its mission to meet today's conditions shouldn't be overlooked.

"We were created specifically to educate the students of Colorado—that's our mission," says Angela Marquez, special assistant to the president for HSI at the university. "I think it's very important that we took the steps we did, because that's our future student." ■

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communication course. About 85 percent, or 6,795 students, completed the course with a grade of C-minus or better.

In the fall of 2018, after the policy change, 7,535 students were in need of additional English academic support, and 6,121 attempted a lower-division written communication course. But the passing rate fell to 82 percent, with 5,015 students completing the course with a C-minus or better.

Cal State leaders say the majority of campuses had already been providing important support to students for English before the policy change and that math is where major redesigns took place.

A cynic could argue Cal State lowered the bar for students of low ability, eliminating remediation and watering down hard lower-division courses. In this cynic's world, that would unfairly juice graduation rates over time.

Cal State leaders rejected that idea.

"I think we've taken out some of the roadblocks that were keeping people from moving forward," says Leroy M. Morishita, president of Cal State East Bay. "What it says is we were miscategorizing or testing people incorrectly. They are able to succeed."

The driving factor in the changes wasn't graduation rates, says Alison Wrynn, interim assistant vice chancellor for academic programs and faculty development and interim state university dean for academic programs.

“Developmental education, we didn’t remove that because we thought it would help students graduate,” Wrynn says. “We removed it because pedagogically it’s not good practice.”

Institutions like Cal State are coming to grips with who college students are today, finding the best ways to educate them instead of excluding them, Minor says.

“Many generations ago, the people who landed on college campuses were the elite among us and among our society,” he says. “Now, I think society has arrived, and so you have a range of individuals from diverse communities across the country arriving at college campuses from diverse experiences and backgrounds and diverse preparation. I think we have to separate that from ability.”

Competing for Resources

Unfortunately, limited resources often prevent regional public colleges and universities from fully pursuing student success initiatives and other efforts.

“Public comprehensive universities are being asked by legislators, by the public and sometimes by themselves to look at what barriers we have that prolong time to graduation,” says Karen Haynes, president of California State University at San Marcos. “Some of them are barriers that come from reduced state funding. If you can’t get course sections out to students, they can’t graduate on time. You can’t get course sections out if you don’t have instructional dollars.”

Regional public universities and the systems of which they are a part will have to

compete for public funding in good economic times and in bad. How states going through good economic times divvy up funding between flagship institutions, regional public universities and community colleges will be important.

Sometimes, the overall funding level is the question that matters most, and public higher education is pitted against other state priorities. After Alaska’s governor proposed closing a state budget gap in 2019 by cutting public funding for the University of Alaska system by a whopping 41 percent, the system’s president, James R. Johnsen, noted the state faced a question of priorities.

The state pays Alaskans a dividend from a permanent fund supported by oil revenue. State funding cuts for higher education theoretically wouldn’t be necessary if money from the fund were instead used to pay for government services. In 2018, Alaska [passed](#) controversial legislation allowing the fund to be used like an endowment to support government use, which then-gubernatorial candidate Mike Dunleavy attacked at the time. Dunleavy went on to win the governorship.

“The politics of it are interesting,” Johnsen says. “The governor’s single biggest priority is paying that dividend, and that just forces a big cut of government services.”

Other times, the question is more about the breakdown of which institutions get funding. Even though regional public colleges and universities are heavily reliant on state funding, many of their presidents feel outgunned when it comes to lobbying. The research universities with big-name athletic programs appearing on television draw the most attention, and the campuses with law schools

tend to produce alumni who go on to serve in state legislatures.

An important development on the funding front has been the growing popularity of performance-based funding, which arguably leaves institutions competing against themselves for state money.

Performance-based funding is nothing new—it can be traced back to a model Tennessee adopted in the 1970s. It allocates some public money to institutions based on certain metrics, like graduation rates.

Dozens of states have implemented performance-based funding mechanisms in a wide variety of forms. Goals and metrics vary, as do how they are weighted. The amount of funding up for grabs can be small or a large percentage of available state operating funds.

Research on the effectiveness of performance-based funding has yielded mixed results. Experts generally say that the design matters tremendously in whether a mechanism will be effective for institutions and students.

They also caution that performance-based funding can have many unintended consequences on institutions' behavior. Effects on underrepresented students and institutions that enroll a large number of underrepresented students need to be considered.

The State University System of Florida's performance-based funding model has drawn close scrutiny because it denies extra funding to the universities with the three lowest scores in any year. The model, first approved in 2014, has also consistently provided the most money to the state's research universities.

Florida A&M University, a historically black

institution, received no state performance-based funding in three of the most recent four years. In 2018, Florida A&M, New College of Florida and the University of North Florida received no state performance-based funding money, while the University of Florida received \$57.6 million and Florida State University received \$51.6 million.

Mark B. Rosenberg is president of Florida International University in Miami and was chancellor of the State University System of Florida from 2005 to 2009. He didn't support the performance model cutting funding from the bottom-three-scoring institutions, he says. He's also unhappy about unintended consequences like institutions being less willing to take chances on admitting at-risk students.

But any public policy choice will have unintended consequences.

"The Board of Governors has given me the opportunity to voice those concerns, as has the state Legislature, and I'm satisfied that they understand," Rosenberg says. "Choices are getting made. I think the overall effect is very positive in that students are graduating in a timely manner, we are doing a much better job of understanding that students understand where the opportunities are once they graduate, and we've kept costs down."

Performance-based funding has focused Florida's universities on student success like never before, Rosenberg says. In his view, it's forced them to address bottlenecks in the curriculum, inadequate advising and a "laissez-faire approach to higher education" that students sometimes have.

"Nothing focuses the mind like a hanging in the morning," Rosenberg says.

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“Everyone is trying to broaden the pie and therefore recruit a little farther away.”

James C. Schmidt
Chancellor

University of Wisconsin at Eau Claire

State funding discussions can also pit large institutions against small ones, flagships against regional publics and regional publics against community colleges. In cases where states are discussing or implementing free four-year tuition for some of their residents, like New York, the question is always whether the state will provide enough money into the future to cover the fact that institutions are suddenly more reliant on state sources of funding.

It all boils down to a climate in which regional public colleges and universities are going to have to keep making their case for public support in statehouses. The current focus is on the value of college and outcomes. The future may bring other priorities.

Statehouses are far from the only locations where regional publics are going to have to compete, though. The competition for students is likely to remain high, and those students are very likely to be cross-shopping

different higher education providers.

“You have a primary service area,” says James C. Schmidt, chancellor of the University of Wisconsin at Eau Claire. “Everyone is trying to broaden the pie and therefore recruit a little farther away.”

Several regional public universities in Michigan have succeeded in increasing enrollment from much farther away—they’ve succeeded in boosting international enrollment, says Dan Hurley, CEO of the Michigan Association of State Universities.

“A lot of that is outreach on their own,” he says. “Sometimes it’s one or two faculty, and increasingly third-party vendors that make connections.”

International students would seem to be a great source of opportunity for student-starved institutions. They often pay much higher prices than in-state students. But recent uncertainty at the federal level and declines in the number of international students across the U.S. are cause for concern.

College leaders say Australia, Canada and the European Union are making strong plays for international students as well. Many worry about making big investments in the international space, only for students to fail to materialize.

Fighting for graduate students could continue to become more important if institutions can find programs that have value in the market.

“We have to align our graduate programming not only as a sequential step in a long series of acquisitions of educational experiences, but

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COMPETING FOR ADULT LEARNERS ONLINE

Critical Issues: Disruption, competing for new student populations, system and state coordination

University of Massachusetts president Marty Meehan laid out a bold plan for a new online college in March 2019.

UMass would focus the new college on adult learners, positioning it as a central provider of work-force development that would appeal to both employers and residents seeking economic mobility. It would also generate revenue that would be pumped back into UMass campuses to support education for traditional undergraduate and graduate students.

While the plan may have been bold, it was not unique. It followed a model of drawing profits from large-scale online operations and investing those profits back into traditional operations. That model was previously developed and executed by other universities like the private nonprofit Southern New Hampshire University. Numerous other players were jumping into the same game, including a new online community college California was establishing.

Still, Meehan's announcement stood out because he explained his system's motivation in stark terms. In a state where demographic shifts are expected to deeply cut the number of traditional-age students enrolling on college campuses in coming years, and

where Southern New Hampshire was winning student after student, the University of Massachusetts had to create the new venture, Meehan said.

"Over the last 18 months of research and study on this subject, it has become clear that our single greatest opportunity to preserve a thriving, healthy and prosperous UMass while meeting our work-force development mission is to take bold and intentional steps to make a UMass education more accessible to students we are not currently serving at scale," Meehan said in a March news release.

The decision to start a new online college also raises questions about how online education and the growth of major online nonprofit providers is likely to affect regional public universities.

Many of those in charge of state-backed online providers claim there will be little crossover between their largely adult, career-focused target demographic and the students who enroll at regional public institutions, who are more likely to be right out of high school

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COMPETING FOR ADULT LEARNERS ONLINE

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and interested in a traditional undergraduate experience. The rare regional public college leader willing to go on the record on the topic voiced much the same sentiment while also expressing confidence that regional public universities' existing online offerings are attractive to students on their own merits.

Not everyone is convinced, though. And even if there were no crossover in students at the moment, many regional public universities are struggling to increase enrollment. They hope to add students by attracting more adults. Does it truly make sense for states to stand up new online colleges that could threaten existing regional colleges' and universities' growth prospects at a time when many of those existing colleges have empty seats?

Cannibalization of place-bound students who might have otherwise chosen classroom learning is a real threat, says Dennis Gephardt, vice president and senior credit officer at Moody's Investors Service. It's expensive to live at a college or attend full-time instead of working, he says. Picking up a few courses online over time helps make higher education more affordable for a student on the financial margin.

Students could decide to take online courses and try to transfer them in order to finish their degrees at a traditional college. They could also decide a major online provider has a more widely known brand and presents fewer drawbacks than attending a regional public college.

"There will be some switching for those that might have gone to a kind of full-time experience at a regional public," Gephardt says. "They could maybe be associated with a stronger brand at a lower cost of attendance and not have to deal with a roommate or new setting or all those things that they might be anxious about."

Potential also exists for major in-state and out-of-state online providers to eat into the share of students who will consider regional public colleges' online programs. Consider a student weighing online classes at the local public four-year institution versus an online giant that spends hundreds of millions of dollars per year in marketing, says Dale Leatherwood, the co-founder of ClearDegree, a higher education concierge service that helps working professionals and companies with online degrees.

"What truly is the differentiation, unless I want a degree from that school?" Leatherwood asks. "If I can go to [University of Maryland University College] or UM Global and choose from 75 degree programs at a price point that's at or less than Akron with a slicker, more effective marketing and admissions process, where is the relative value?"

Other initiatives could threaten graduate enrollments, which regional public universities have used to boost enrollment and generate tuition dollars. Public flagship universities have made efforts in this space by partnering with online program managers—Georgia Tech in 2018 rolled out an online cybersecurity master's degree for under \$10,000

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COMPETING FOR ADULT LEARNERS ONLINE

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with edX, for instance, and the University of Illinois at Urbana-Champaign offers several programs including an “iMBA” with Coursera at sharply lower prices than typically found at flagship universities.

The leader tasked with setting up the new UMass venture maintains that unmet demand exists for robust, fully online programs that will upskill U.S. workers.

“We are going to be helping the population that is not currently being directly served by the online programs at state institutions,” says Don Kilburn, a former Pearson Education executive who is CEO of UMass Online. “They are mostly served by fully online programs right now.”

Left unsaid is that UMass leaders found it unacceptable to be missing out on so many students that were enrolling at providers based out of state. They’ve estimated Southern New Hampshire University enrolls 15,000 Massachusetts residents.

Frame it that way, and it sounds like online college versus regional public university is a false choice. Instead, a substantial student population will enroll in a massively scaled online institution one way or the other. The only question is whether it will be one from Massachusetts or one based elsewhere.

Another UMass official, spokesman Jeff Cournoyer, further stressed that no public higher education provider in the state was serving the working adult population at scale. UMass estimates more than one

million working people over the age of 25 in Massachusetts were not enrolled in postsecondary education but would be interested in an online offering.

“That is the population we are seeking to serve, not those already enrolled or who would be likely to enroll in an existing program,” Cournoyer said in an email. “And there are many thousands more who are currently enrolled in online degree programs offered by out-of-state institutions. Our research suggests that more than 50 percent of them would prefer to be in a comparable program at UMass, if it were offered.”

Unlike out-of-state competitors, UMass has an interest in making sure the different higher education sectors in Massachusetts aren’t negatively impacted by online competition, Cournoyer added. UMass aimed to create a platform to “enhance partnerships with the state universities and community colleges.”

That view may or may not be universally embraced throughout the UMass system. It has several universities with meaningful online programs already served by UMass Online. They delivered a reported 75,00 course enrollments in the 2017 fiscal year. Then there are other state institutions in Massachusetts that are not part of UMass.

A spokesman at Fitchburg State University, a regional public institution about 50 miles to the northwest of Boston, pointed to the institution’s online and hybrid programs. Nine graduate programs are 100 percent online, as are six undergraduate programs and two certificate programs.

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COMPETING FOR ADULT LEARNERS ONLINE

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“Our accelerated online programs have been successful and will remain competitive because of their quality, accessibility and price,” said the spokesman, Matthew Bruun, in an email. “We are confident our institutions are filling an important niche in the marketplace and that we can continue to do so by remaining responsive to the changing needs of our region and the evolving demands of the working adults we serve.”

Fitchburg State enrolls more than 4,000 undergraduates and more than 3,000 graduate students. More than 3,500 students were enrolled in a hybrid or online course in spring 2019, taking a total of 5,803 courses. Online and hybrid enrollment skewed toward graduate students.

Leaders in Massachusetts weren’t the only ones who pushed back on the idea that a massive online college would cut into enrollments at regional public universities. Erika Orris, the chief enrollment and marketing officer at the University of Maryland University College—which was in the process of rebranding itself as the University of Maryland Global Campus—said much the same thing. Officials made the case UMUC and regional public students don’t cross over. “Our students are going to be working adults interested in attending online,” Orris said, “and our primary competitors already advertise nationally, such as SNHU, Arizona State, WGU, and the for-profits like Strayer and Capella.”

A UMUC spokesman looked at the potential

for cannibalization in another way. UMUC began in 1947 as an institution serving adult students, said the spokesman, Robert Ludwig, in an email. It began offering fully online programs in the late 1990s, meaning it has long been filling the niche in the state.

“The issue facing many regional universities is the predicted demographic collapse in the Northeast and Midwest,” Ludwig wrote. “The population of students who aspire to the traditional face-to-face experience is shrinking, and thus many regional universities are looking to diversify into the working adult market—which leads them to develop online strategies, thus competing with UMUC.”

Setting aside the question of which type of institution might be moving into the other’s territory, some regional public universities could remain strong by carving out specific niches. If almost every teacher in a school district earned his or her master’s degree at the same local public university, for instance, that same institution is likely in a strong position to remain the preferred provider. Partnerships between regional public universities and local employers could likewise be fruitful if the parties involved develop close continuing relationships.

Even then, certain working student populations are likely to demand online options. A regional institution serving such students may need to partner with an online program manager, a company that typically makes an up-front financial investment to help build the program and then takes a cut of the revenue. That in turn would put pressure on program

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pricing, which could theoretically allow a large state-backed competitor to leverage its greater scale to undercut the regional public offering or snuff out many of the financial benefits it provides.

Other factors exist in favor of larger, centralized online colleges targeting adults. Decentralizing online programs by allowing them to grow at regional public universities makes it difficult to collect data that can be processed at scale. Setting up new programs with enough capacity to serve a large number of students on short notice is a bureaucratic challenge.

Research published by the National Bureau of Economic Research has found evidence that introducing new online providers pressures colleges and universities in less competitive markets. David J. Deming, Michael Lovenheim and Richard Patterson examined developments after a 2006 regulatory change made it easier for new entrants into the online market. In a 2016 working paper, ["The Competitive Effects of Online Education,"](#) they found enrollment effects concentrated at nonselective private institutions, which were at the time considered to be online programs' closest competitors.

They also found increases in per-student instructional spending at public institutions. Together, the results suggested that online education increased competitive pressure on local institutions, potentially driving innovation.

"As a result of the uneven geographic dispersion of postsecondary schools and the high probability that students enrolling in nonselective schools attend close to home, nonselective public institutions in less dense

areas either are local monopoly providers of education or have considerable market power," they wrote. "Online education has the potential to disrupt these local monopolies by introducing competition from alternative providers that do not require students to leave home to attend. The impact of competition from online providers will depend on the degree of monopoly power held by incumbents, as well as on the extent to which students are willing to substitute between online and in-person programs."

So systems, states and universities will have plenty to negotiate if they hope to prevent regional publics, state flagships and massive online colleges from trying to stake out parts of the same territory in an online gold rush.

"People are not going to do less online learning over the next 15 or 20 years," says Leatherwood. "When a UMUC becomes a UM Global and expands, it's going to impact first the Maryland system, because they're going to be the ones with the online expertise. They're going to be the first kind of mover from a budget perspective, and they're going to start encroaching into the regional areas." ■

also to the current work experiences of students who may come back and take graduate education in order to accelerate their career opportunities and broaden their career opportunities," says Devinder Malhotra, Minnesota State Colleges and Universities chancellor.

Still, by their nature, regional public colleges and universities are going to be competing first and foremost for local students.

"Most of your nonflagship state colleges and universities have most of their students come from within a couple hundred miles of home," says Spaulding, chancellor of the Vermont State Colleges. "Yes, we have international students. Yes, we're recruiting out-of-state students. But in our region, everyone is facing the same issues, and they're trying to keep their students from home."

That doesn't mean institutions can expect to count on being the major player in any territory, though.

"In Michigan, because of our autonomy and independence, we have the most market-based collection of public universities in the country," Hurley says. "We compete with each other, with 40 independent colleges and with community colleges."

The point about competing with community colleges is likely to be particularly salient for leaders of four-year institutions in states with Promise programs offering free tuition for students attending two-year colleges. Many leaders worry those programs will draw students away from four-year campuses.

An analysis by an assistant professor of education policy at the University of Missouri,

Oded Gurantz, found that the Oregon Promise boosted enrollment in community colleges in its first year at the expense of four-year colleges. In its second year, though, the Promise program increased overall post-secondary enrollment.

Meanwhile, new players threaten to upend established markets.

Companies like Walmart and Starbucks are offering higher education benefits for employees, which could disrupt traditional higher ed markets. In Walmart's case, it's partnering with the education platform Guild Education to offer associate and bachelor's degrees for U.S. employees who contribute the equivalent of \$1 per day. The degrees are being offered through several universities.

Or consider Alaska, where state institutions have little competition on the ground.

"We don't have private institutions competing with us here," says Johnsen, the University of Alaska system president. "We do have institutions competing with us online. Arizona State is up here big-time. [Western Governors University] is up here. American Military University is here, because we have a super-high military population."

Competing for public resources isn't necessarily new for regional public institutions. They will need to continue to improve their skills, however. Often, they risk a mentality of begging for scraps, experts say.

That's despite the fact that many regional public institutions are proud of the fact that they have a unique mission and dedication to their communities, says Orphan, of the University of Denver.

"The trick is conveying that," she says.

New Structures for New Challenges

Student success is about how tomorrow's regional public university will serve a diverse student body. Competing for resources and students is about the attitude it will need to survive in difficult markets. But what structures can leaders put in place to support those priorities as the world changes around them?

Break down barriers between campus and community, experts recommend. Leverage whatever resources are available. Be as innovative as possible in harnessing institutional or local strengths in order to grow and bring in new investment—when prudent.

Also be prepared to rightsize or restructure an institution—or a system—to better fit a shrinking market. It's possible a college or university will find itself too large in scale for a shrinking population it serves. Likewise, it's possible a state has too many stand-alone institutions for a dwindling number of residents.

When it comes to innovating and growing with new ventures, partnerships and bridges to off-campus constituencies will likely be critically important. Those partnerships will often be educational and fit into an education-to-career pipeline. Partnering with other entities can help public colleges and universities set up structures like community college transfer pathways, dual-enrollment programs with high schools, articulation agreements with other colleges and close relationships with employers, experts say.

"Where the sector is going to end up is, it's going to have to get integrated," says Anthony Carnevale, research professor

and director of the Georgetown University Center on Education and the Workforce. "The high schools and bottom tiers of the publics, those institutions are going to have to meld. It's the only way given what's coming demographically. It will require a restructuring of the relationships between high schools and four-years. It will be easier in two-year colleges. But the four-years are going to go under if they don't do this, because they don't have enough selectivity to draw students, and they don't have enough labor market value to draw students."

Reed, commissioner of higher education in Louisiana, focuses on the fact that regional public institutions can position themselves at the crossroads of different education and career options. They are already plugged in to different educational and work-force providers, so they can play a key role in coordinating education players and employers more closely, she says.

"They have such strong relationships with their local school districts and local community colleges," she says. "I don't think that we will remain a siloed system. I don't know how fast or slow it will occur, but I think this idea that there is a K-12 system and a post-secondary system and a job at the end of the rainbow—those things aren't going to remain in those buckets."

Louisiana is an example of the way blurring boundaries are playing out in credentials. Broadly speaking, interest is rising in new badges and certificates that can provide students with something to show for their studies over shorter time periods than are necessary to earn traditional bachelor's degrees. Such credentials can also be valuable to employers by signaling a prospective student has

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Kim Hunter Reed

Commissioner of Higher Education
Louisiana

developed a specific skill set or knowledge base. As educational providers adapt to this rising interest, the lines are blurring between providers of certificates, two-year degrees, four-year degrees, graduate degrees and other credentials.

The state’s Board of Regents approved an undergraduate certificate in February 2019 so that Louisiana institutions can start offering post- and sub-baccalaureate certificates addressing industry demands for specific competencies. At the time, the regents said similar certificate programs could be found

in multiple other states including Arkansas, Kentucky, Missouri and Texas.

Partnerships with chambers of commerce, major local employers and other anchor institutions, like hospitals, can help colleges and universities with a strong sense of place develop in-demand programs and defray costs. A hospital, for example, can provide space and expertise for a new nursing program.

“We did a lot of degrees with industry partners,” says Haynes, of Cal State San Marcos. “We created industry advisory councils to say, ‘What is our role in San Diego in biotechnology?’ Several other universities already had biotechnology. Where was our niche?”

One challenge inherent in such partnerships is that it adds more cooks to the kitchen. The faculty guards its control over the academic enterprise, so leaders need to consider how they will align interests among professors, employers and other educational entities to make such partnerships successful.

A partnership doesn’t have to directly affect a regional public university’s academic core to fit into its overall mission, however. While regional public universities serve as key pieces of educational infrastructure in their communities, some have found ways to build out other forms of infrastructure.

For instance, Northern Michigan University is spearheading an effort to provide broadband access across the state’s Upper Peninsula. The idea is that residents will be able to take classes online or explore new ideas.

“When you have trees and not people, it’s hard to get companies to come in to put in high-speed internet,” says Erickson, president of the university. “So we set out a process of

bringing high-speed internet to the whole UP. That's 21,000 square miles. We're well on our way to accomplishing that. We have the NMU Educational Access Network tied to schools all over the UP."

Back on campuses, infrastructure is no less important. With state funding constrained, institutions will likely continue to have to find new ways to pay for capital expenses.

Even today, the numbers can be staggering. Cal State, for example, has estimated that its deferred maintenance backlog is \$3.7 billion. More than 56 percent of its academic square footage is at least 40 years old.

To address the need for construction capital, many Cal State institutions—and many other colleges and universities—have turned to a mechanism called public-private partnerships, or P3s. Details of each P3 can vary, but the most commonly talked-about model has a private developer building a facility that a college or university then leases to use over multiple years. The private developer receives a steady source of income in the future, and the college or university gets use of a new facility without taking on traditional debt.

"Over the last three to five years, interest in the pursuit of P3s as a component of higher ed has really picked up," says Charles Renner, a partner at the law firm Husch Blackwell and editor of a report the firm published on public-private partnerships. "The ability to have state-level assistance for investment in facilities continues to be tested. The longer a university goes without tackling those build-for-the-future facilities questions, the more at risk they are in the competition they're in. I won't say university leadership has run out of patience. I just think that P3 continues to

show itself to be a viable delivery alternative."

P3 projects are traditionally student housing, because housing brings in a steady source of tenant rent revenue and developers grew comfortable managing the risks in that sector. But other types of facilities have been built using the mechanism as well, from university-owned hotels to academic space.

Renner cautions that institutions should follow best practices for procurement, including holding a true merit-based competition to find a partner. They should also find good financial, legal and other advisers before pursuing a deal. P3s are typically long-term partnerships, he adds. That means priorities and dynamics can change over time.

There is no guarantee a P3 project will meet its goals or that it will be structured to shield colleges and universities from all risk. Moody's Investors Service reported in May that privatized student housing projects were split between a "growing number of impaired projects and a majority of healthy projects," with the projects exhibiting impaired credit quality being hit by weak demand or oversupply. Such situations typically take several years to turn around.

The caution that care is needed should be heeded in all types of partnerships.

"Partnerships are hard," says Schmidt, chancellor of Wisconsin Eau Claire. "It's easy if you own everything. Then you don't have to work at it. Behind the scenes, it's not pretty. There are a lot of conversations, but we come together and figure it out."

New forms of partnerships aren't the only way to address space needs. Colleges and universities have long turned to rental space

to meet demands if they're unable to build out a traditional campus. This will continue for institutions that are in a position to grow their footprints quickly or that are in need of flexibility.

"We rent space," says Martha Saunders, president of the University of West Florida, in Pensacola. "We are all over town now."

Shrinking Operations

The structural innovations discussed above are focused on expansion or revitalization. But in some cases, colleges and universities will have to rework structures in order to shrink operations.

Many administrators and board members may already feel experienced in this area. As financial pressures have mounted, public universities have deployed strategies such as faculty buyouts, early retirements, not filling open positions, layoffs and even financial exigency.

The tools can help institutions that need to find ways to shed costs. Ideally, they enable institutions to cut from areas that a university has outgrown and reinvest savings in operations that are more important to students and the community.

But many of the existing tools come with drawbacks. Depending on how they are structured, buyouts and early retirements can take time to yield savings—and they don't always result in cuts exactly where they would be most helpful to the overall institution. Not filling open positions can lead to inefficiencies elsewhere if existing employees are pulled in to fill jobs that don't necessarily align with their abilities. And financial exigency is a

measure of last resort that corrodes faith in an institution.

You could say leaders have a hatchet, a hacksaw and a chain saw at their disposal when, ideally, they would have a scalpel.

With proper planning and enough pain, shrinking and realigning public institutions is possible in many cases. But the current process is far from ideal.

Efforts sometimes go south quickly. For example, the University of Wisconsin Stevens Point in March 2018 announced plans to cut 13 majors, including English, history and foreign languages. Professors' jobs were said to be in jeopardy. Faculty pushback came swift and fierce, with professors seeking to force out Chancellor Bernie Patterson and Provost Greg Summers. The situation became a national symbol of the fight over the future of the liberal arts at public universities.

By April 2019, the administration had changed plans so that majors would not be cut. Other budget reductions, resignations and retirements meant no one would need to be laid off, either. Talks over the futures of several departments were slated to continue.

"Business leaders tell me on a regular basis that what we're dealing with here is commonplace in the business world," Patterson says. "Businesses expand and contract and change their product lines and innovate. They've expressed, at times, some dismay that higher education has struggled with those concepts and those needs to change."

Challenging days are still ahead, Summers says.

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TAKING CONTROL OF A LOCAL SCHOOL DISTRICT

Critical Issues: Community engagement, state politics, partnerships, changing university roles

Ball State University found itself in an awkward position in 2018.

Indiana lawmakers wanted to give the university control of the school district in its home city, Muncie. Muncie Community Schools, already operating under an emergency manager after a history of financial turmoil, struggled amid falling enrollment in a state where K-12 students can choose to attend other public school systems, charter schools or to receive vouchers for private schools—taking per-capita state operating funding with them.

The plan contained a major upside for Ball State, which began as a normal school—it would allow teaching faculty members to tighten relationships with local schools. Strengthening ties with those schools could be considered an important way to engage further with the surrounding community, and it could lead to new strategies for improving public education elsewhere. And bolstering local schools could make the university a more attractive place to work.

Still, the plan proved controversial in part because of worries that it meant the end of local control over a school district, an entity with the power to levy taxes. Also, it allowed

a university-appointed school board to avoid collective bargaining with teachers—an unusual and controversial carve-out raising concern about union rights.

Ball State leaders decided to support the measure. With lawmakers unlikely to hand control back to a locally elected board, leaders at the university saw the choice as being between placing schools under university control or keeping them under an emergency manager. At the very least, Ball State was local, while an emergency manager might have no ties to the Muncie area, argued the university's president, Geoffrey S. Mearns.

The issue split politicians along party lines in the state capital of Indianapolis, with Republicans generally in favor and Democrats opposed. But after some twists and turns, the state Legislature approved the plan during a special session that May.

Ball State went on to appoint a new seven-member board to govern the school system starting July 1, 2018, as called for under the new state law. Mearns recommended five

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board members who were in turn approved by Ball State trustees. Mearns also approved a member recommended by Muncie's mayor and one recommended by the Muncie City Council.

Although the change in control was often referred to as a takeover, Ball State leaders pushed back against the term. The university is trying to serve as the "lead agent for a communitywide partnership," Mearns says.

To that end, the university sought to involve as many constituents as possible from its own campus, from the school system and from the community.

Leaders formed an Academic Innovation Council with representatives from both the school district and Ball State. The council was tasked with creating by June 2020 a long-term plan to address academic innovation and financial viability.

The university also created a Community Engagement Council to raise money and advocate for the school system, ultimately raising \$3.1 million for local schools from community institutions.

"When other organizations stepped up, it was a signal that a communitywide effort was under way," Mearns says.

Many Ball State faculty members hoped the new arrangement would give them a chance to become more involved in the school system.

Professional development was an early emphasis, with each school in the district

receiving a liaison to act as a conduit to Ball State. Memorandums of understanding were put in place at every school outlining professional development goals.

Even before the change in school board control, Ball State had a long history of working with Muncie schools. Some schools had liaisons in the past, but the program became much more comprehensive after the new governance structure was put in place, says Eva Zygmunt, a professor of elementary education at Ball State who serves as a liaison. Liaisons are working to address each school's specific needs, whether they are grant writing or connecting with experts on social or emotional needs.

"For instance, in my school last fall, the teachers had identified a need to shore up their classroom libraries," Zygmunt says. "My colleagues and I were able to bring an immersive learning grant from the university into the building to redesign and audit classroom libraries and bring a tremendous amount of rich resources into classrooms. You can use the internal resources available in the university that way."

Choosing the right people to serve as intermediaries between two large organizations is key, she adds.

"The sort of negotiation and living in the in-between spaces is not something that everyone can do or should do," Zygmunt says.

Small issues are bound to come up, says Roy Weaver, interim dean at Ball State's teachers' college. When the university and school

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system first started working together decades ago, small organizational issues would crop up, he says. For example, finding a meeting time that worked for everyone was surprisingly challenging. Public school teachers wanted to go home at the end of the day, get something to eat and then return for meetings. University faculty members wanted to meet right after work, then go home.

"That's a simple matter," Weaver says. "But it points out one of several issues that need to be resolved when you reach into working with an organization. We've had to build that kind of understanding in a bigger and broader way."

Under normal circumstances, Weaver would suggest having more time to think about approaching a new organizational relationship like the one between Ball State and Muncie Community Schools. Ball State leaders spent some time thinking about approaches and implementation, but a greater focus on communication and informing all stakeholders could help, he says.

The university's president, Mearns, says he would communicate with more constituencies if he had to do it all over again. Specifically, he would engage the minority party at the state capitol—in this case, Democrats. Engaging more in the beginning might not have changed any votes, Mearns says. Discussions about the proposal may have been less partisan, though.

Since the schools legislation passed, Ball

State and its leaders have been able to take part more fully in conversations with all those involved.

"With the passage of time and with those conversations, I would say there is less political division and controversy over it and more of a common commitment to seeing that this will work," Mearns says. "If it will work, what are the elements that are successful so these successes can be translated to changes in public policy in the state of Indiana that would benefit other school districts?"

Some of those who were opposed to the change have come to support the partnership now that it is in place. Jason Donati was a member of the school board that was replaced and a parent of children in Muncie Community Schools. As the takeover legislation was making its way through the statehouse, he was opposed to the idea of an unelected board leading the district. He also worried about a lack of collective bargaining rights driving away teachers over time, and about Ball State taking control of the district before the university had any plans in place for running it.

But as of spring 2019, things seemed to be going smoothly on the ground, Donati says. The new board had been accessible, in his estimation.

Some issues still lingered. A decision loomed about the future of Muncie school facilities, which were widely considered to be overbuilt. The district had two middle schools and not enough students to fill both, according to Donati.

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An advisory board made up of former school board members effectively only existed on paper, Donati says. Wanting to remain involved, he asked around in order to be placed on the Community Engagement Council intended to advocate for the schools.

And union supporters' fears came true. At the end of August, the new school board's president said it would not be engaging in collective bargaining with teachers.

Meanwhile, Muncie Community Schools' enrollment results were mixed in the first year of Ball State control. A long-term trend of declining enrollment stopped—in 2019, the district enrolled a total of 5,264 students, up slightly from 5,215 in 2018, state data show. But levels were still short of the 5,690 students enrolled in the district in 2017 or levels from five years earlier, when enrollment was over 6,500.

The district actually lost more students to transfers than it had in previous years. Muncie Community Schools saw a net decline of 2,075 students in the fall of 2018 because the number of students transferring out of the district to other public school systems far outpaced students transferring into it. That was a larger net loss than the fall of 2017, when losses from public transfers totaled 1,938.

Factoring in students who attended a nonpublic school under the state's Choice Scholarship program, Muncie Community Schools lost a net 2,266 students to transfers in 2018-19, up from 2,113 the year before.

It was still early days, though. For his part, Donati decided that continuing to fight the change after it was passed into law made no sense. It was time to move forward.

"It ultimately is about what's best for kids and families," he says. "For kids to see adults come together is important."

Mearns has one takeaway for universities considering unorthodox partnerships, no matter whose idea they are. The right arrangement can be worth pursuing.

"What I would say to my colleagues is, don't fear this is going to be diverting your time and attention in ways that will dilute your core mission," he says. "Everything I've seen is it is amplifying interest and pride in the institution." ■

"I worry that despite all the attention that has been brought to us as an institution, we haven't really managed to talk about, as a society or as a UW system or even as an institution, some of the driving factors that put us into these difficult straits," Summers says. "There's a lot of denial about what's happening to higher ed and why. We're not really going after the root causes and managing them. We're kind of treating symptoms."

The challenge is finding a way to realign a large institution with multiple constituencies when old power structures don't want to change. Effective strategic planning may serve as a way to listen to multiple groups within institutions and win their support. Vision, effective leadership and trust between different constituencies will be more important than ever.

A structure that's increasingly popular as a way for higher education institutions to shrink or save costs is merger. Mergers have already taken place or been pursued in states as far-flung as Connecticut, Georgia, Vermont and Wisconsin.

Georgia pulled off a series of mergers beginning in 2011. The president of the Connecticut State Colleges and Universities has been fighting to consolidate the state's 12 community colleges into a statewide institution. Vermont merged two different institutions, Johnson State College and Lyndon State College, into Northern Vermont University in 2018. That same year, Wisconsin merged its 13 two-year campuses with seven four-year colleges.

Many of the mergers unfolding have been between regional public colleges and two-year colleges. So the change might not just

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“There's a lot of denial about what's happening to higher ed and why. We're not really going after the root causes and managing them. We're kind of treating symptoms.”

Greg Summers

Provost

University of Wisconsin at Stevens Point

fit under the classification of a structure for shrinking—it might also sometimes count as a blurring of the lines between educational providers.

All of these structures require a focus on the people involved.

The first semester after merging was the worst, says Bonita Jacobs, president of the University of North Georgia, which was created when North Georgia College and State University merged with Gainesville State College in 2013.

“We merged a residential four-year institution with a commuting two-year institution,”

Jacobs says. "There was a lot of difference in the cultures."

Keep moving and get it done, she recommends. She offers additional advice to leaders in a merger situation: have a concise vision for the merged institution. Communicate it often. In mergers between two- and four-year institutions, don't focus too much on the top students, and don't ignore the two-year enterprise. Acknowledge that students have different needs.

Some caution against cutting or merging too quickly. The changes will affect students and regions over the long term. Anything that limits students' access to educational offerings—including the liberal arts—can threaten equity, opportunity and students' quality of life.

"Is the merger conversation about what are we going to do with UNC Chapel Hill?" says Kevin McClure, of UNC Wilmington, using the flagship as an example to compare against less prestigious institutions.

"It's more about what we are going to do with Elizabeth City State," he says. "But when we're talking about reducing the number of institutions or merging some or fiddling with some or breaking them down in different ways, it almost totally seems to involve the regionals. The question is, what does that mean for the regions they're serving?"

Internal constituencies won't be the only ones resistant to shrinking. For every institution, there are members of state legislatures who will "lay down their bodies" to prevent closures or massive cuts, Carnevale says. Nonetheless, closure and consolidation are taking place.

"The government, including the education

system, is not organized to do this," Carnevale says. "But it's happening anyway, which tells you a lot."

For administrators, board members and lawmakers interested in the greater good, the challenge will be finding structures to allow consolidation and realignment to take place in the most efficient and effective manner possible without harming students.

Systems

This collective vision for tomorrow's regional public university could very easily go wrong.

Working, transferring and adult students can't be served well if their credits and credentials aren't portable. Limited state support can't be divided efficiently if colleges fight one another for scraps. External partnerships will fail if partners are faced with a confusing mishmash of higher education providers, and internal efforts to rightsize and realign will be uneven and difficult if they aren't coordinated across campuses.

In other words, tomorrow's regional public could be one of failed partnerships, wasted investment, duplicated resources and unhealthy competition.

Avoiding this fate requires coordination. That naturally raises the question of the role of systems.

"I think the salvation is at the system level," says Dennis Jones, president emeritus of the National Center for Higher Education Management Systems. "Most of these institutions are in systems. And how systems use their collective resources to serve local issues is, I think, one of the big emerging topics."

The benefits and drawbacks of systems have long been contested. At the most basic level, the fight is about institutional individuality versus collective benefits. One extreme argues strong system coordination snuffs out individual institutions' creativity and devalues their degrees by commoditizing education. The other extreme says failing to coordinate and restrain individual campuses' worst impulses leads to unhealthy competition, elitism and catering to the privileged at the expense of everyone else.

Can systems and the individual campuses they oversee avoid the extremes? A well-run system of state universities will require both standardization and entrepreneurship in new places. It will have to focus on priorities more and turf wars less.

"Is my agency and advocacy for colleges and universities, or is it for the students?" asks Malhotra, Minnesota State Colleges and Universities chancellor. "The two may have substantial overlap, but they're not exactly the same."

State higher education systems across the country have grown up with remarkably different structures. Some states like California have strong system offices and chancellors. Others have coordinating boards, and still others, like Michigan, have little in the way of any system coordination.

"Michigan has more autonomy for public universities than anybody in the country, and it's a tremendous advantage," says Dave Eisler, president of Ferris State University, in Big Rapids. "You don't have a lot of bureaucracy. You don't have a lot of systems to work through. You don't have a lot of clutter. So if you want to be entrepreneurial in this system,

you can be."

Eisler acknowledges that there are drawbacks to autonomy, though.

"The bad news is there's nobody to catch you if you fall," he says.

Which institutions are part of systems remains an active discussion across the country. Tennessee, for example, broke its universities out of its Board of Regents with legislation passed in 2016, giving them their own individual governance structures. The act kept technical and community colleges under the board's oversight. North Dakota has considered changing a board that governs its 11 public colleges and universities, but that board has proved difficult to overhaul, as it is protected by the state's constitution.

Other states have firmly established system structures. California, with its strong Master Plan for Higher Education, has separate systems for its public research universities, its regional institutions and its community colleges.

The Cal State system office is valuable, says Tim White, California State University chancellor. It shifts discussion toward the common good across the state.

"It's the mind-set of serving California and Californians that has been a pretty powerful tool for us, it seems to me," he says.

White was chancellor at the University of California, Riverside, before he took the position leading the Cal State system. Previously, he was president of the University of Idaho and interim president at Oregon State University. Consequently, he has insight into the dynamics of local control versus system coordination.

“Having been a campus leader in three states with a board or central office of some level of influence, the tongue-in-cheek was when you are on a campus, you always go on a little bit about the central board not knowing how to run a campus,” says White. “It made me think about how to position this system recognizing that we do not have a mascot, a brand, a history class or a graduate seminar in biophysics that occurs in the system office.”

White says he’s tried to change the narrative of command and control often attached to central offices. In part, that’s meant bringing in leaders both in the system office and at the campus president levels who facilitate cooperation and interaction. It also means considering each campus’s individual circumstances.

Sometimes, though, the system office has to push campuses toward standardization. That was the case when White issued an executive order eliminating developmental math and English classes starting in fall 2018. It was also the case when he issued an executive order to streamline general education requirements beginning in fall 2018, which was intended to improve reciprocity across campuses and help transfer students.

Those executive orders weren’t universally popular across Cal State’s 23 campuses—some faculty members feared changes to the general education requirements would cut demand for certain courses, for example. Cal State leaders say they try to listen to faculty input and balance local concerns against needs to serve the greater good.

“We look at each campus’s history and build a plan for that campus respecting its autonomy, its culture, its programs, the needs of the region, and then we glued them all together in

a system approach,” White says. “I do believe respecting and understanding the autonomy of individual campuses is important, but there is a role for the system to set expectations of performance tailored to the unique characteristics and there is a role for the system, when it is optimal, to do it as a system versus letting each campus decide on its own.”

On the question of distributing resources between institutions, the Cal State system could easily pump more and more money into its universities in the thriving L.A. basin, White says. In the long run, that would undermine all of Cal State, he argues.

“From just the steely-eyed business point of view, you could take a campus serving a lower population number and say, ‘Let’s move those resources elsewhere,’ ” White says. “But that to me would undercut the enormous strength and beauty of the CSUs that we are regional campuses serving the regions. Some are much bigger and vibrant and have robust economies. Others are less but equally important, even if their numbers are smaller.”

Another state might not be able to replicate California’s system because of its own specific history or local factors. But every state is going to grapple with the question of effectively splitting resources while coordinating different institutions at scale.

Florida is sometimes criticized as a state for not preventing mission creep between its different institutions. The state was early to allow its community colleges to offer four-year degrees, and many of its universities have sought research dollars and prestige.

When it comes to coordinating the nuts and bolts that many students care about, leaders in the state argue the system functions well.

"There is no norm as it relates to university systems," says Rosenberg, president of Florida International University and former State University System of Florida chancellor. "We are helped because we have a very robust state college or community college system. And we have a really good transfer system and articulation. Seamless articulation. Common course numbering. In many ways we have a very modern system."

Even systems with very different structures are grappling with many of the same challenges. Minnesota merged its regional public universities, community colleges and technical colleges into one system in the 1990s. Some rival presidents and chancellors criticize it today for not differentiating its institutions from one another.

Its chancellor, Malhotra, says the Minnesota system is working to adapt to local market demands even as it integrates learning experiences across institutions so students can move from campus to campus.

"We have to exploit more and more complementarities," Malhotra says. "With dwindling resources, every time there is a need in a community, we can't mount another program to meet that need. But if there is an existing program anywhere else in the system, then we can create partnerships between the two faculties."

Technology may be making this type of partnership and coordination easier, even as economics makes it more necessary. As cost pressures mount, individual institutions seem less and less able to support the faculty on every campus that is required to offer a full slate of liberal arts programming. Some hope online classes will allow different individual

institutions to share classes and programs across campuses.

"I think in the end, the four-year systems are going to have to find a way to make anthropology available, but it's just not going to be available everywhere," Carnevale says. "To some extent, it's already true. But once you get 30 programs and 15 of them look really bad, that's much easier to do."

It's possible that shrinking institutions, increased coordination between campuses and campuses increasingly specializing can actually lead to more choice for students across the board.

"Rationalization results in specialization but systemwide choices," Carnevale says. "That's where we're headed. If you want an English major and you're in a state system, you may have to go to that city where the cracker-jack English department is, and that English department has an outpost for two or three other institutions with one professor or something. And then they'll have more online."

So the question of individual campus freedoms versus strong centralization can be a false choice—or at least last century's battle.

"To the extent the systems are stuck and focused on managing individual institutions or are doing one size fits all, they aren't in the position of doing things as well as they need to," Jones, of the National Center for Higher Education Management Systems, says. "There just has to be an evolution in system management that we haven't seen yet." ■

COMPETING WITH FLAGSHIPS FOR FUNDING

Critical Issues: State and system coordination, funding, flagship universities' power, lobbying

While it is no secret that different types of public institutions compete with each other for limited state resources, two recent cases show how contentious jockeying can become between regional public universities and flagships.

They also provide some insight into the strategies elite public institutions use when the gloves come off.

In the first case, a group of students, faculty and staff members at different University of Michigan campuses publicly fought for what they believed should be more state funding parity between the flagship in Ann Arbor and two regional campuses in Dearborn and Flint. In the second case, West Virginia University fought to derail plans for a new state funding formula that would have redistributed some of the money it received from the state to regional institutions.

In Michigan, a group called the One University Campaign sought to boost funding for the University of Michigan at Flint and the University of Michigan at Dearborn, two regional campuses that use the flagship's famous block M logo and have chancellors that report to the president, who is located in

Ann Arbor, in the University of Michigan's governance structure.

Specifically, the campaign asked for lawmakers to allocate equal amounts to each campus on a per-student basis, extend to Flint and Dearborn an Ann Arbor program guaranteeing free tuition for in-state students from families making \$65,000 or less, and expand diversity, equity and inclusion funds made available at Ann Arbor to Dearborn and Flint.

It also sought pay parity for graduate students and lecturers on the three campuses, more scholarship money for low-income and working students at the regional campuses, on-campus medical and legal services for the regional campuses, and coordinated admissions and transfers between the three campuses.

"I hope we can find something more sustainable over the long term where we can adjust the ways in which we share resources so that everyone has what they need to do our jobs well," says Daniel Birchok, an assistant

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professor of anthropology at Flint and a leader in the One University Campaign. "Ultimately, what we're shooting for is a situation where we're not being competitive, but we're working together to meet all of the different goals of the institution."

The group circulated statistics showing that Ann Arbor's student body was just 15 percent Pell eligible in 2016, compared to 42 percent at Dearborn and 39 percent at Flint. The median family income in fall 2018 at Ann Arbor was \$154,000, compared to \$84,200 at Dearborn and \$77,200 at Flint, according to the group, which also said the two regional campuses enrolled almost entirely in-state students, while Ann Arbor's student body was only a little more than half Michiganders.

But on a per-student basis, the group found Ann Arbor received much more state funding. It received about \$7,000 per student in 2018, versus \$3,776 at Dearborn and \$3,662 at Flint.

The campaign also circulated numbers it calculated on campus instructional spending per full-time-equivalent student. It showed spending on instruction to be much more than twice as high on a per-student basis at Ann Arbor than at either Dearborn or Flint. Ann Arbor also had higher spending on student services and scholarships.

"Part of the University of Michigan's claim to excellence is being on the right side of history," Birchok says. "This is clearly a diversity, equity and inclusion issue when you consider the demographics of the Flint and Dearborn campuses."

The University of Michigan's president, Mark Schlissel, and a university spokesman have characterized the campuses differently. They have likened the three campuses to a confederation, not a system.

"The University of Michigan Ann Arbor is a world-class research university that draws students from all over the country and all over the world," says Rick Fitzgerald, assistant vice president for public affairs at the university. "It's a major research institution. U of M Flint and U of M Dearborn are regional campuses that serve a largely in-state population. So U of M Flint and U of M Dearborn are much more like the other regional universities in Michigan."

Campuses set their own tuition rates and have their own admissions processes, Fitzgerald says. The three campuses collaborate behind the scenes on many issues.

"We advocate strongly for strong state support for all of our institutions, and the Dearborn and Flint chancellors go to Lansing every year and appear before the state Legislature just like President Schlissel does to advocate for funding," Fitzgerald says. "But they are smaller campuses with different missions."

Fitzgerald also raised issues with some statistics circulated by the coalition, saying many of its numbers have been wrong in the past. In some cases, it's not clear what data the coalition has used to calculate its numbers, he says, adding that the coalition is "largely driven by our lecturers' union on campus."

He pointed out the Ann Arbor campus has

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medical, dental, law and pharmacy schools, while Flint and Dearborn do not. Ann Arbor's graduate programs are also far more extensive than those at Flint and Dearborn.

Public relations positioning aside, the situation touches on a fundamental question about what types of institutions should be prioritized in state funding decisions. Should more money go to regional public universities, which tend to have a higher percentage of local students, are smaller in scale and have fewer alternate sources of revenue?

How much should go to research-intensive flagships, which tend to have diversified revenue streams like grants, international enrollment, fund-raising and larger endowments—but also run more capital-intensive operations, attract more attention and often claim higher returns on state investment?

The battle can also play out in jockeying over funding formulas and state higher education coordinating policy. That happened in 2018 in West Virginia, when the state's Higher Education Policy Commission was preparing a new state funding formula that would have given more money to the state's struggling regional public universities.

State lawmakers had directed the Higher Education Policy Commission in 2017 to look into a funding model for higher education. It came up with a model that would have provided more money for regional public universities at the expense of West Virginia University, argued Mary J. C. Hendrix, the president of Shepherd University, in a letter

circulated in July 2018. Shepherd, a regional public university, was set to receive an additional \$3.4 million. West Virginia University would lose \$9.2 million, and West Virginia Tech would lose \$3.2 million.

Instead, the Higher Education Policy Commission unexpectedly named a longtime West Virginia University administrator, Carolyn Long, as its new interim chancellor, and the state's governor created a blue-ribbon commission to examine higher education. The commission was co-chaired by West Virginia University president E. Gordon Gee.

"We are witnessing—much to our disbelief—an unprecedented hostile takeover of the higher education governing body in West Virginia," Hendrix wrote in her letter. "Essentially, WVU didn't like the recommendations of the Higher Education Policy Commission (HEPC) regarding a new funding model for state appropriations, so they influenced the removal of the HEPC chancellor yesterday and replaced him with a less qualified WVU administrator."

Long dismissed the concerns as "silly." West Virginia University issued a statement denying an attempt to wrest away any power, pointing out that any changes to the state's higher education system would need legislative approval.

But it did acknowledge the obvious in a statement: the flagship did not support the proposed funding formula.

"We support additional appropriations for other institutions," the university said in its

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July statement. “However, we do not believe that it should come from a decrease in the appropriations to WVU—the flagship, land-grant, R-1 institution in the state with the highest graduation rates and a presence in every county.”

A glimpse into internal communications between leaders at West Virginia University shows that they coordinated to fight the funding formula months before the situation came to a head that summer. Erin Newmeyer, the university’s director of communications and marketing for strategic initiatives, wrote an April 26, 2018, email to parties including Long and student, alumni and faculty leaders. It outlined instructions for submitting letters to the Higher Education Policy Commission.

A letter from Gee would be sent the next day. Once its submission was confirmed, Newmeyer would give other parties the go-ahead to share their own letters to the commission.

“Please remember to share your final and approved letters with Rob, Sharon and me before sending,” Newmeyer wrote, apparently referencing Rob Alsop, vice president for strategic initiatives, and Sharon Martin, vice president for university relations and enrollment management.

Gee’s letter ran 15 pages, outlining 11 points against the proposed funding formula. It criticized the formula for reallocating funding away from the flagship university and for transferring decision-making power away

from institutions. Later, it sought to cast all institutions in the state as underfunded.

“We suspect many of our colleagues will support this model because their appropriations would increase, at least initially,” the letter read. “In fact, we are aware of at least one institution that has publicly solicited support from alumni, students and employees for the proposed model to the commission. Please note that we have not taken that approach. Although we could have engaged in a massive letter-writing campaign, we believe the more appropriate approach is to focus on the challenges of the proposed model.”

Newmeyer gave the go-ahead on April 27. The next month, she sent Alsop an email with all HEPC letters “in one place”—letters from Gee, Long and the president of West Virginia University Potomac State College, as well as the university’s Faculty Senate chair, Staff Council representatives, Alumni Association CEO and student body leaders. Alsop requested copies, “each individually stapled and then collated and clipped together to make 75 sets, so we can hand them out to legislators as a set.”

Meanwhile, regional university presidents were lobbying lawmakers to support the funding formula.

“The formula depoliticizes the funding of higher education, it allows us to focus our attention on those measures of educational achievement for which we are all striving,” read a May 20 letter signed by regional university presidents that was sent from the president’s office at Concord University to

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state lawmakers. “There has been an imbalance in funding of the higher education system that was developed over a period of many years and this funding model makes good progress in depoliticizing funding. It is well thought out, equitable and addresses fairness issues in funding.”

Presidents on different sides were lobbying each other as well. Gee emailed Hendrix, the Shepherd University president who would later accuse West Virginia University of an “unprecedented hostile takeover.” As their exchange unfolded over a week, it became clear the sides were staked out.

Gee began the exchange on May 23:

My Dear, Dear Mary,

First, let me underscore that no one adores you more than me. I think you are just such a fresh, enlightened leader of Shepherd and would be of any institution. And I am so pleased that I can have candid off-the-record discussions with you and know that we can agree and disagree, but always as friends.

Saying that, I want to underscore again that I believe that the Higher Education Policy Commission proposed funding model will be deleterious not only to the university, but to all of higher education ultimately. It gives them more power and it gives us less control. And, it also puts them in a position to be able to distribute extra dollars beyond their mandate. At the very least, we ought to have a policy commission that

acts like a policy commission rather than a bureaucratic administrative overlord. I will be happy to talk to you about how we can really create an environment in which we can all win for higher education.

In the meantime, please know of my affection, admiration and very best wishes.

Gordon

Hendrix replied May 24:

Dear Gordon,

Between friends, and with all due respect, you are not doing West Virginia any favors by objecting so vehemently to a legislatively mandated initiative for creating a funding formula that would guide state appropriations. This state has been in a race to the bottom for years—because politics have prevailed over common sense. Throughout our illustrious academic careers, we have both worked and served as leaders of Carnegie One Research institutions. We know that all boats can rise when state funding is fairly distributed. My advice is to allow the legislators to advance the new funding formula that they tasked the HEPC with developing (and which, I understand, is based on a previous model used by the Ohio State University)—and once implemented, we can help shape the parameters and benchmarks. Let’s start the experiment and lower the objectionable rhetoric. Parents and students are watching—and they are all voters. One way or another, fair and equitable funding for all WV state institutions will happen—so

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that our citizens will be better served.

With warmest regards,

Mary

Gee responded six days later:

My dear Mary,

Thanks for your thoughtful note. I think you fully misunderstood what I am saying. I believe that higher education is dramatically underfunded in this state but we don't play the game of Robin Hood, but rather, we play the game of advocacy, which is one whereby we make certain that we garner more dollars for higher education so that those who are dramatically underfunded, such as Shepherd, will be rightsized in terms of funding.

I think it is amusing that someone told you that this was the Ohio State model. It is exactly the opposite from the Ohio State model. The reason I know this is that I developed the model for Ohio, and the Ohio model was based upon two premises: first, you differentiate among the institutions so that you do not compare all of them in a single way. Second, you do not have a redistribution formula; you have a performance formula. Those that perform well receive dollars; those that do not perform well are penalized. I think you and I both agree that performance, including graduation rates and academic performance, as well as financial performance, is what we want to be judged on. No one should have a free pass. In fact, one of

the reasons we have problems in this state is the fact that our smaller regional institutions have been protected and, therefore, have lost their muscle memory in terms of competition, performance and academic rigor.

In any event, I will give you a call.

Love you, no matter what you say. You can send me all the dyspeptic notes you want to; I will still adore you. But at the same time, I will tell you when you are wrong and on this issue, you are wrong.

Looking forward to chatting. In the meantime, continued best wishes.

Gordon

Another interim chancellor was named to replace Long at HEPC in April 2019. At that point, the blue-ribbon commission hadn't met since the beginning of the year, and it wasn't clear when it would be meeting again. It was originally supposed to complete its work in December 2018.

It had not issued a final report, although lawmakers had enacted one of its recommendations—spend \$10 million more on “smaller four-year institutions.” Lawmakers ultimately allocated slightly more than that in new funding for the institutions that was not redirected from West Virginia University.

West Virginia University leaders expected the commission to return to work once the state's governor gave it direction. Other college leaders expected lawmakers to study the state's higher education governance in the future.

But lawmakers had not acted on a new funding formula. ■



Risks

Leaders who hope to transform today's regional public colleges and universities into institutions that can survive and thrive in tomorrow's climate will be forced to navigate a minefield of risks.

Specific financial, enrollment, economic and political risks are perhaps too numerous to list individually—and they are detailed elsewhere in this report, as they also line up with the pressures building on public higher education generally. What follows is an overview of four areas of risk that experts describe as percolating within many colleges and universities: a scarcity mind-set, a propensity for mission drift, weak and unprepared leadership, and a lack of flexibility among public colleges' most important employees and institutional structures.

Any one of these risks can prevent a college or university from successfully navigating external pressures and serving students well. Although no single way to overcome these risks exists, regional public college and university leaders may want to keep them in mind in order to minimize the chances they derail plans for the future.

A Scarcity Mind-Set

A scarcity mind-set can affect both regional public universities in growing states and those in states where the population is shrinking.

In growing states, the fear of scarce resources seems to be most driven by public funding—are larger student cohorts going to stress state budgets too much? In states with declining student populations, the number of students is the primary source of concern.

In both cases, a scarcity mind-set can hurt long-term thinking.

“When you're really scared and you exist in an environment where you only see scarcity, it can really harm your ability to think critically and creatively and be innovative,” says Orphan, of the University of Denver. “You're solely focused on survival. Once you get into that mentality, your mission and your unique role in the region—for example, your unique access mission—can take a back seat.”

Institutions worried about scarcity fall prey to short-term thinking as they scramble to address whatever the crisis of the day is or as they batten down the hatches for sustained

troubles. This can lead to institutions trying to poach one another's most attractive students, cutting programs or curtailing spending with little consideration of long-term goals. It can also prompt investing in flashy new programs that may not pay off or building new infrastructure that will have to be paid for in the future.

"Are we going to grow fast enough to meet demand, and are we going to have a combination of programs that students want in every region of the state?" asks Raymund Paredes, Texas higher education commissioner. "We're trying to do more with sums of money that match the intended growth, and I'm worried what we're going to do is keep carving up the pie into smaller and smaller slices and end up with rampant mediocrity."

California State University's chancellor, White, can point to four or five cities that have said they want to host a newly built campus. It would seem like a no-brainer in a system where demand outstrips capacity. But can new infrastructure be supported in the long run?

"The cost to start a new campus both on the capital side as well as the recurring side is a pretty big number," White says. "What I don't want to do is start and starve—start a place and not have the resources to grow it out. That creates a false expectation or unfair expectation for communities."

Even in California, fears of future student scarcity linger. Some point out that the number of high school graduates is expected to decline by the early 2030s. White pushes back by saying that the percentage qualified to attend a Cal State institution is continuing to increase.

Demand remains high across the University of

California, Cal State and California Community College systems. That prompts more cooperation between institutions and systems instead of a scarcity mind-set, White says.

"Human nature is, if you've got more than you can handle, it's a different level of conversation," he says.

A key question for institutions that are dealing with scarcity is whether they can find footing and try to chart a long-term future filled with innovative strategies. Take the state funding situation in Louisiana, for example, which leaders say has hurt training for future workers.

"Our fiscal policy is working against our talent-development goals," says Reed, commissioner of higher education in Louisiana. "I will say, the last few years of stable funding has helped us to take a deep breath and figure out how to improve."

Reed remembers a state lawmaker questioning why Louisiana's regional public institutions aren't educating more nurses at a time when nurses are in demand.

"We don't have the faculty ratio," she says. "What do you do about that? We talked about some hospital CEOs that are providing dollars to some of the regional institutions to help them hire more faculty members."

Those that are unable to take a proverbial deep breath and assess the future are likely to continue to struggle as they strip themselves down to the most basic definition of a college or university.

"There are going to be institutions that can't get out of the scarcity thinking, and they're going to become these kind of strange, identity-less places," Orphan says.

Prestige Seeking and Mission Drift

Judging by their behavior, many institutions don't want to continue to be regional public colleges or don't think they can continue to survive or thrive with that identity.

"Far too many campuses are unhappy being in the middle and want to be research universities," says Mehaffy, of AASCU. "They are spending all their time and energy both as institutions and as individuals within those institutions trying to prove they are better than they think they are."

Seeking more prestige is attractive to many constituencies and on many fronts, according to those who know higher education. Climbing rankings is inherently attractive to presidents and board members who want to prove they're successfully managing their institutions.

From a financial and enrollment-management standpoint, growing into a research-heavy institution with a big brand name sounds attractive. Research dollars mean less reliance on any other single form of revenue. A prestigious name often translates into a greater ability to draw students and a chance to attract students from farther away. That in turn can ease enrollment challenges and boost tuition revenue.

Since no institution is able to prioritize everything, a dedication to prestige and climbing the rankings means de-emphasizing other needs. Soon institutions can find themselves mired in mission drift or largely ignoring their home regions.

In the process, they threaten to compete with each other for precious state resources.

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“Far too many campuses are unhappy being in the middle and want to be research universities. They are spending all their time and energy both as institutions and as individuals within those institutions trying to prove they are better than they think they are.”

George Mehaffy

Vice President, Academic Leadership and Change
American Association of State Colleges and Universities

“We have a significant number of regional universities in Texas, and we have many different levels of research capability,” Paredes says. “The thing that troubles me the most is that virtually every one of these regional universities has ambitions of becoming, down the road, a significant research university.”

Institutions typically aren't satisfied with being primarily baccalaureate-degree-granting institutions or offering only professional master's degrees, Paredes says. They want doctoral degrees, creating the potential for significant mission creep, divided state funding and widespread mediocrity.

The state is trying to do more to carefully examine proposals for new programs, Paredes says. Some doctoral-level programs may still be appropriate for regional institutions—doctorates in education may need to be available throughout the state, for example.

Still, state lawmakers have provided significant reason for universities to seek status as a top-tier research university. A decade ago, they passed legislation creating a National Research University Fund, which provides money for institutions to become major research universities, and a research incentive program that provides a state match for private gifts for university research. The result is a performance-based incentive pushing universities to try to climb the research ladder.

Texas is far from the only state facing the issue.

"It's happening in states that are growing very quickly," Paredes says. "Florida is a case in point. Georgia is another case in point, and I think it's happening in states that are looking for opportunities to become another Silicon Valley."

Some of those who have pursued higher status as research universities are unapologetic. Florida International University has been imbued with the ethos of a research university almost from its beginning, says its president, Mark B. Rosenberg.

Although the typical FIU student was 25 and attending part-time when it opened in 1972, the university's second president started emphasizing international programs when he arrived in 1976. The institution tells a story of growth since then.

FIU is an urban public and doesn't resemble

a traditional land-grant university, says Rosenberg, who is also former chancellor of the State University System of Florida. Many of its students work, and they are slightly older than what is considered traditional. The university is heavily connected to its home of Miami.

In the Carnegie Classification of Institutions of Higher Education, FIU is classified as a doctoral university with very high research activity and a high undergraduate enrollment profile. It hasn't emphasized the things a regional public university would likely emphasize.

"I can tell you my own personal experience is that in our move to become a research university, we did not spend a lot of time worrying about graduation rates," Rosenberg says. "We did not spend a lot of time worrying about out-of-pocket costs. That wasn't the currency of our realm. The currency of the realm was being able to move up in the rankings, largely measured by research productivity."

Prestige seeking is nothing new.

"It's not just administrators seeking rankings," says Summers, provost and vice chancellor for academic affairs at the University of Wisconsin at Stevens Point. "This was taking place in the evolution of higher ed well before there were rankings. If you were a normal school, you desperately wanted to offer more degrees."

Nor is it solely a function of ambitious leaders. The issue extends to constituencies like lawmakers and prospective students who don't necessarily appreciate the unique role of regional public institutions.

"I have argued in my work that there is not, frankly, broad understanding about the

purpose of these institutions," Orphan says. "There's lack of broad societal understanding—and even among policy makers, there is no recognition of you doing your unique mission, because you're just seen as lesser."

Faculty members play a major role as well.

"You have faculty that have landed in regional comprehensive institutions not really by design or strategy but more because of how the academic labor market functions," says Leslie Gonzales, associate professor in the College of Education at Michigan State University, who has studied faculty careers and how faculty members respond to changing organizational missions.

Faculty members are often hired at institutions ranked lower than the ones where they earned their Ph.D.s. Those who were trained at research universities who end up being hired at regional public institutions bring the practices they know with them, Gonzales says. Those practices include emphasizing research and seeking grants.

"I see this tension that manifests itself between faculty who have really sought a career in a regional-centered type of place and faculty who are ready to operationalize this more research-driven mission," Gonzales says. "The folks who were really intentional about trying to find the place where they could nurture a teaching-research type of profile, they are at odds with the institution and maybe some of their colleagues coming in."

The tension can play out in who gets tenure and who doesn't. It can shift faculty members' attention to their intellectual work and away from service, community engagement and teaching.

In addition, it can influence faculty members' research agendas. Regional public institutions perform research that tends to be of interest locally. That can change at prestige-seeking, or striving, institutions, Gonzales says.

She remembers interviewing a faculty member at one such institution whose research agenda was concerned with embedding literacy in people's lives. When the faculty member did her work, her primary audience was the students in her classroom. But she told Gonzales that a shifting institutional mission required her to frame her work for a journal or to be of interest to a broad field of study.

"We see this pressure put on the tenure-track faculty to produce more and to establish national, international, very discipline-centric reputations," Gonzales says.

Then, adjuncts and non-tenure-track professors tend to start shouldering more of the teaching load. That can skew the way an institution operates, because adjuncts and non-tenure-track professors don't have the same influence in governance processes as tenured faculty members.

Striving behaviors can also shift the way institutions dedicate other resources. Grasping for higher rankings requires more grant dollars and philanthropic gifts, as well as more selective admissions metrics. Changing those data points requires investments in infrastructure like grant writers, fund-raisers and recruiters. Supporting in-demand programs can require spending on cutting-edge facilities.

Presidents sometimes try to strike a balance

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TUITION BORDERS BLUR

Critical Issues: Recruiting, finance, diversity on campus, political boundaries

State lines are getting softer and softer, according to Bonita Jacobs, president of the University of North Georgia.

"I think erasing borders is probably in our future," she says.

Borders are already becoming more permeable in Jacobs's experience and in the experience of many states and regional public universities, as institutions cross state lines to enroll students. At first glance, that's not necessarily a new development. Public universities have a long-established practice of attempting to lure top prospects from other states in order to secure the enrollment mix they want—or to collect additional revenue thanks to tuition rates that are higher for out-of-state students than for those from within a state.

In recent years, though, more and more regional public universities are discounting tuition sticker prices for out-of-state students. Even that isn't necessarily new on its own, as evidenced by the multistate tuition reciprocity program under the Midwestern Higher Education Compact. Under the program, public institutions in 10 states charge out-of-state students no more than 150 percent of their in-state resident tuition rate.

But a number of regional public universities have lowered tuition rates for out-of-state students on their own in recent years.

The University of North Georgia is one, albeit on a limited basis. In 2019, it received permission from the University System of Georgia to give tuition waivers to students in nine North Carolina and Tennessee counties. The move gave students in those counties the ability to attend the University of North Georgia at in-state tuition rates, effective in the summer 2019 semester.

Leaders framed the move as a way to increase educational opportunities in the broader region that the university serves. The University of North Georgia is the primary campus for dozens of counties in northeast Georgia, including some in the Appalachian region that crosses state lines and has low college completion rates, Jacobs says.

"They're graduating college-ready students" from high schools, Jacobs says. Attending college after high school is "just not part of the culture."

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TUITION BORDERS BLUR

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Serving the region isn't all about tuition. In 2015 North Georgia opened a small Blue Ridge campus in the area that has been growing rapidly, Jacobs says.

The University of North Georgia was the 11th institution in the Georgia system to secure tuition waivers for students from counties bordering the state. In many cases, institutions received those waivers as their enrollment declined, Jacobs says. That isn't the case at North Georgia.

In addition to serving the overall region better, the move is geared toward specific groups. For example, the University of North Georgia is a senior military college, and it already provided out-of-state tuition waivers to students in its Corps of Cadets.

"Our cadets get in-state tuition, but sometimes they won't come because the girlfriend or boyfriend has to pay out-of-state tuition," Jacobs says.

Meanwhile, in Tennessee, Austin Peay State University announced in April 2019 that it was slashing undergraduate out-of-state tuition from about \$11,000 per semester to about \$6,200 per semester for 12 credit hours. Although that's a significant decrease, it's still higher than undergraduate in-state tuition—about \$3,400 for 12 credit hours.

The tuition rate was pegged to a level that would not require state subsidies for out-of-state students. That was important because it means the university, which draws roughly 30 percent of its funding from the state, wasn't asking Tennessee taxpayers to subsidize

out-of-state students, says Rex Gandy, Austin Peay's provost.

Leaders at Austin Peay sought to build on past efforts to attract more out-of-state students. About three years earlier, the Tennessee Board of Regents approved a program known as 250R that allowed Austin Peay to cut tuition for students who are from outside of Tennessee but from within a 250-mile radius of the university's campus. Tuition for such students went from being roughly three times as expensive as in-state tuition rates to about one and a half times as expensive, Austin Peay leaders say.

Other universities in Tennessee have taken part in the 250R program.

"We were one of the first schools to opt in to that, and now several of the Tennessee publics have opted in," Gandy says. "Maybe the first year, we didn't see a big change. But more recently in the last couple of years we've seen a more significant uptick in out-of-state enrollment."

In fall 2018, about 88 percent of Austin Peay's enrollments were in-state students. Out-of-state enrollment had been rising in recent years, however.

After the 250R program was put in place, Tennessee revamped its Board of Regents, moving six universities that had been managed by regents under their own local, independent governing boards. With more governance flexibility, Austin Peay started running scenarios to see what would happen

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TUITION BORDERS BLUR

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if it expanded an approach like 250R to more students and parts of the country.

"We had seen the 250R help us," Gandy says. "We thought, 'Well, maybe the full 250R will be even better.' "

Austin Peay has been attempting to increase out-of-state enrollment in order to give enrolled students more diverse experiences, its leaders say. The university's strategic plan also calls for boosting the number of out-of-state, international and graduate students.

As of fall 2018, almost half of Austin Peay's students, 45 percent, came from Montgomery County, the institution's surrounding county. Almost nine in 10 were from Tennessee, meaning the institution didn't enroll many students from out of state.

Bringing students from more places onto campus is important because many Austin Peay students don't have the financial means to travel to other states or countries, university leaders say. They also don't always have the physical flexibility, as the university enrolls more than 2,500 students affiliated with the military thanks in large part to nearby Fort Campbell over the Kentucky border.

Adding more out-of-state students has had other effects. Austin Peay's out-of-state students have, on average, posted higher class rankings and ACT scores than its in-state population, Gandy says. Over the long term, graduation rates could tick up.

Gandy says efforts to increase out-of-state enrollment can also help draw from in-state

"You are starting to see more and more advocacy for lessening these tuition rates to attract students. I think the concern is finding the sweet spot there. Public institutions in states were traditionally built to educate the members of that state, so what is this going to look like moving forward?"

Rob Anderson

President

State Higher Education Executive Officers Association

areas, particularly those on the border. One high-growth area in recent years is Shelby County, Tenn.—the Memphis area—about 200 miles away from Austin Peay's campus.

"We've never had Shelby County," Gandy says. "It kind of spills over demographically into north Mississippi, and we've never had very many Mississippi students, so that would be an area we think we could touch."

Cutting tuition for any student group comes with financial ramifications. But cutting tuition rates can be offset if more students enroll.

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TUITION BORDERS BLUR

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Austin Peay's enrollment has grown by about 8 percent over the last four years, which is higher than expected growth in the number of high school graduates. It enrolled almost 11,000 students in fall 2018, up 4.7 percent year over year.

"If you look back at the data on Tennessee from roughly 2000 to 2010, the number of high school graduates coming out went from about 45,000 a year to 67,000," Gandy says. "So all the Tennessee publics, I think, benefited in that decade. However, starting in the 2010, 2011 time frame, the number of high school graduates more or less flattened."

Austin Peay leaders hope that out-of-state students stay in Tennessee after graduation. They hope to increase the reach of the university through those who return home.

It should also be noted that regional public universities in other states have cut or eliminated out-of-state tuition for U.S. students in recent years. Institutions in Illinois, which as a state has struggled to attract and retain students, and where it has often been easy for out-of-state students to qualify for lower in-state rates after a short time on campus, are among them. Various regional public institutions in Michigan have also tried the strategy in recent years.

Whatever reasons universities have for increasing out-of-state enrollment—and whatever methods they use—experts say it's important to find balance. Regional public universities are closely tied to state identities, even as population and economic

changes push them to look at students from different areas.

"As [full-time-equivalents] become a bigger concern in a lot of areas, you are starting to see more and more advocacy for lessening these tuition rates to attract students," says Rob Anderson, president of the State Higher Education Executive Officers association. "I think the concern is finding the sweet spot there. Public institutions in states were traditionally built to educate the members of that state, so what is this going to look like moving forward?" ■

between becoming a research university and remaining an institution dedicated to a particular area. Even if they lay out a clear set of goals to that end, faculty members might be reading between the lines.

"Faculty will hear the mission or charge, and no matter how administrators will work to localize it, faculty will fall back on whatever established rankings we have," Gonzales says. "They're thinking about what it takes to be at the top of that hierarchy according to *U.S. News* or whatever metric is dominant in their mind—that probably the administration is also using in their work."

Asking what will be lost when an institution redefines its agenda is particularly important if it has been serving a poor area or historically underrepresented communities, Gonzales says.

Administrators, board members and faculty members can think about the tensions playing out between rankings and local mission. They can ask whether structures can be put in place to hire or promote professors based on teaching rather than research.

"There is something to be said about striking a balance between folks who are local, institutionally informed, and who know the region well and those who are cosmopolitan and looking at the disciplines," Gonzales says.

Leadership and Governance

Worries run high that the current generation of leaders is underprepared to face

the set of challenges mounting against higher education.

Many of today's college presidents rose through the ranks during decades of expansion in the higher education sector, says Jones, president emeritus of the National Center for Higher Education Management Systems. The same can be said about board members and legislators.

"Everything about how they learned management skills, everything about the policy environment in which they live was learned in a growth environment," Jones says. "And now, higher education is a mature industry, and neither public policy nor institutional practice have adjusted to that reality."

Public policy still tries to reward growth, Jones adds. So places that can grow will, while institutions unable to grow could be left starving.

The very nature of a public institution makes it difficult for leaders to prepare for consolidation or shrinking. Budgets grind their way through state legislatures. When cuts are proposed, presidents have to decide whether to lobby for more money or to publicize job losses and other cuts that hang in the balance.

Contingency planning in settings with strong open-records laws is also a challenge. Presidents don't want to make clear whose jobs are on the line, because that can create a cycle of negativity. But they also want to be prepared if a steep budget cut is passed.

"I can't not serve the regents," says Johnsen, president of the University of Alaska system. "I can't serve them well if I'm not exploring with them options that are severe and without saying, 'This means 250 positions cut, this means 300 positions, this means campuses go away, this means financial exigency gets declared.'"

People listen to those conversations. It adds to this communication dilemma of the impact on morale that obviously and understandably has on students, on their parents, on our faculty and on our staff."

Regional public college presidents lack control over some of the factors influencing their institutions or systems. They're often inheriting problems that go back long before their tenures as leaders.

The University of Akron has had three presidents since 2014, including an interim named in 2018. Scott L. Scarborough stepped down in June 2016 following a tumultuous term in which he attempted to remake the university as a polytechnic institution and put layoffs in place—and after the university drew criticism for spending on renovations to its presidential home. His replacement, Matthew J. Wilson, stepped down in 2018 after drawing controversy by interviewing for the presidency at the University of Central Florida in his former home state.

Faculty members say problems date back far earlier, however.

"This is a mess that's 15 years in the making," says Linda Marie Saliga, professor of mathematics and chair of the Faculty Senate at Akron.

She points to capital spending on dorms, parking and other amenities from previous administrations. The university's Board of Trustees also became oppositional after the faculty unionized in 2003, she says.

"We had a Faculty Senate established shortly before that, which had some nice shared governance committees that were pretty inclusive," Saliga says. "But as soon as the

faculty unionized, the board pulled back."

The university's past spending decisions seemed made on the premise that it was going to continue enrolling more students into the future and that it was going to grow in name recognition or prestige, Saliga adds.

"It seems that we were spending capital funds on the dorms, the parking and all that, and assuming we were going to stay at that 30,000-student mark or maybe even increase," Saliga says. "We didn't."

Total enrollment peaked in fall 2011 at a combined 29,592 at Akron's main campus and Wayne College campus, according to federal data. Combined enrollment has since fallen to 21,965 in fall 2017, the most recent year for which data is available.

The university's main campus enrolled 18,730 full-time and part-time graduate and undergraduate students as of October 2018, according to its Common Data Set for the year.

Now, Ohio is pushing regional compacts between institutions, Saliga says. The idea is to avoid duplication of programs. But faculty members grumble that other institutions are being more competitive than cooperative.

The university made news in March 2019 when it offered buyouts to 47 percent of its full-time faculty members, or about 340 people. Although the university didn't expect them all to take the offers, it was a step on the way to trying to cut \$15 million from its budget amid declining enrollment.

But faculty members wondered whether such drastic plans were appropriate at a time

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CONFLICT OVER MISSION IN NORTH CAROLINA

Critical Issues: Identity, governance, system stress, politics

East Carolina University found itself at the confluence of several crosscurrents rocking regional public universities in March 2019, when a chancellor who'd been pushing for ECU to raise its national profile resigned in the wake of run-ins with a powerful alumnus and leader of the University of North Carolina system Board of Governors.

Cecil Staton had been chancellor at East Carolina University since 2016, when he was the first campus leader hired under UNC system president Margaret Spellings. Staton pushed to position East Carolina as a national model, pointing out that it looked in many ways like the comprehensive institutions that attract the most attention nationally. The university had a medical school and a dental school. It enrolled 23,000 undergraduates and more than 5,800 graduate students. The only things the university did not have, Staton used to say, were pharmacy and law programs.

Talk of being a national university didn't sit well with some residents of a region that contains many of the most economically distressed counties in the state. Some faculty members weren't happy, either.

"ECU was founded specifically to educate people in the eastern region of North

Carolina," says Crystal Chambers, an associate professor of educational leadership and higher education and vice chair of the Faculty Senate at East Carolina. "I think some of the pull within the community had to do with the attempt to rebrand the institution as a national university. My own take on it is if you want to have that national recognition, it's by being a top regional university."

Staton also arrived on campus at a time of low faculty morale, when many professors felt they had been saddled with austerity budgets and state leaders who were hostile to higher education. And he was viewed with some skepticism because he was a nontraditional leader who had spent a decade as a Republican state senator in Georgia, although he had also worked at state colleges before coming to East Carolina.

At first, Staton seemed to think optimism around his vision would generate buy-in, according to faculty leaders. Then he seemed to correct course, rebuilding his vision around the idea that East Carolina would serve its original mission even as it aspired to have a

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CONFLICT OVER MISSION IN NORTH CAROLINA

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national name. At least some faculty members seemed to be listening.

The aspiration was to become a national model for how a university operates in East Carolina's unique setting, Staton says.

"It wasn't mission creep here," he says. "We already had the mission. It's just taking the unique assets we have and committing ourselves to becoming a national model in how to use those assets to move the needle in a very difficult area of the state where there are health care, educational and economic disparities."

In 2018, East Carolina and the software company SAS launched an effort called the Rural Prosperity Initiative, which aimed to address economic, educational and health disparities in rural areas. Promotional materials for the program pointed out that East Carolina served twice as many undergraduates from rural communities as any other institution in the 17-campus UNC system.

However, the tensions over East Carolina's identity weren't the flashpoint that led to Staton's departure, which was announced suddenly in March 2019. Staton said that month that he would leave the university in the summer in a decision he "did not initiate."

A member of the UNC system's Board of Governors laid responsibility for the leadership change at the feet of the board's chairman, Harry Smith.

"Harry Smith has been seeking the chancellor's

removal ever since Chancellor Staton and his trustees rejected in 2016 Mr. Smith's proposal to buy an apartment complex near ECU if the university would change its housing policy," said the board member, Steven Long, in a lengthy statement. "Since that time, he has become obsessed with removing the chancellor. President Margaret Spellings told me months ago that in virtually every conversation she had with Harry Smith, he turned the conversation eventually to ECU and his criticism of the school's leaders. I and other members of the Board of Governors have had a similar experience."

Long's letter also charged that Smith had threatened to deny funding for East Carolina trustees if they continued supporting Staton and accused him of other meddling in day-to-day ECU affairs that many would consider off-limits for a system board chair. Smith responded by telling a North Carolina television station that the statements were incorrect.

Staton, it should be noted, was not the first executive within the North Carolina system to depart in a swirl of controversy in early 2019. Spellings had already stepped down as system president in January after clashes with the system Board of Governors. Also in January, the chancellor of the flagship Chapel Hill campus, Carol Folt, resigned after she decided to remove the remnants of a toppled Confederate statue from the campus. The statue's future was a hotly contested issue in a state where a law made the monument's removal difficult—and in a system where

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CONFLICT OVER MISSION IN NORTH CAROLINA

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conservative board members seemed to want it to stay.

With those precedents set, Staton was arguably next in line to be ousted. Not only had his plans to elevate ECU to a national name been controversial locally, some observers say he'd underestimated how important athletics was to the university's base as fans criticized him for the university's struggles in football and an unpopular athletics director had his contract extended in 2017, only to be bought out the very next year at a cost of as much as \$1.26 million. And Staton clearly did not get along with Smith, a native of ECU's home city of Greenville, who rose to become Board of Governors chair in 2018.

In the aftermath, chancellors at some of the system's other campuses pointed to the unique circumstances leading up to the ousters of Spellings, Folt and Staton. Publicly, they said they weren't worried such infighting would derail their own tenures.

But privately, one confided that they were "whistling past the graveyard." No one knew what would set off any of several "mercurial members" of the board.

The larger point is that the Board of Governors was seen as getting involved in the daily business of its constituent institutions—in this case the business of a regional university that had grappled with its aspirations and identity but seemed to have settled on a path forward. Now, ECU stands as a reminder of the tensions that can boil over between state higher

education systems and regional campuses, and how that agitation can leave a campus grasping for direction.

Faculty members were concerned about what might come next. Leaders hoped to keep their relationship with the system board and the local Board of Trustees from deteriorating into acrimony.

"From my perspective, I certainly don't want to have a public fight with anybody on the Board of Governors," says Jeff Popke, a professor in the department of geography, planning and environments and chair of the faculty at East Carolina. "I think articulating, in a positive way rather than a defensive way, the principles of shared governance that long have been established is a good way to get the Board of Trustees and Board of Governors to cooperate with faculty as allies and collaborators."

Staton, for his part, maintains he had simply wanted to build up what he already saw as a major public university.

"Some people probably did see that as ECU getting out of its lane," he says. "We have increased our research enterprise here. But it's not because we are moving away from our teaching mission. It's because our students today need to be engaged in research with professors, with their fellow students. It's part of becoming critical thinkers and problem solvers and developing skills to work collaboratively that the workplace demands." ■

when the university was operating under interim leadership.

"They bargain with us whenever they get this idea about voluntary separations," says Pam Schulze, professor of family and consumer sciences at Akron and the president of the AAUP chapter there. "I think they could go to athletics and cut some coaches. But that's just crazy talk. Their idea is the place to cut is faculty, and they feel they are already really lean with administrators, which is, in some sense, true, since we have so many interim people."

The university isn't going to wait for a permanent president to make necessary moves, says its CFO, Nathan J. Mortimer.

"Whether we have an interim or noninterim leader at any level, we're not going to sit in a holding pattern," Mortimer says. "We're going to try to move the university forward."

Still, faculty members feel as if they're running from cut to cut with no sense of direction. The university seems to have abandoned the idea of strategic planning, Schulze adds.

When she came to Akron in 2000, the university had many nontraditional students, Schulze says. The community turned to the university to meet its needs for a trained work force, educated citizenry and major employer in the area. Local high school students considered enrolling at the university, and industry turned to it for retraining.

"I think we didn't appreciate those strengths at the time," Schulze says.

Now, the university is reeling under enrollment declines and debt from prior building. It

comes as society has changed its view about what a college education should be.

Faculty members are willing to adapt to changes, Schulze says. They want to make programs and the university stronger. But they also have to hear from leaders who can explain why they should support plans.

From the faculty perspective, explanations seem to have shifted with each new leader.

"Every time there is a new president, when we are in meetings, if we refer to any decision that happened with the prior president, we're told that was another guy," Schulze says. "You can't run a university that way. It's like we have to pretend the past never happened or that guy doesn't count or initiatives that started then are not being effective now."

Faculty and Institutional Structures

Changing any institution is difficult, even in a time of intense outside pressure. Changing an institution with a large number of highly educated, independent-thinking employees is even harder.

And changing a regional public college or university, where faculty members expect to have a say in governance of the academic enterprise, can seem to be a herculean task.

Take the case of the University of Wisconsin at Stevens Point. After it announced plans to cut 13 majors in March 2018, faculty members sought to force out the university's provost, Summers, and chancellor, Patterson.

The administrators cast the events as a yearlong discussion on how to restructure programs and cut spending. They'd put out a proposal intended as a first draft in order to engage faculty members, they say. But faculty members felt they'd been subject to top-down governance and poor communication.

"We had really reached an impasse with our departments or faculty governance groups," Summers says. "Faculty very much insist that they be a part of their curricular conversations, which is absolutely appropriate. Administration has purview over the budget. As long as those two things don't meet, it's a perfectly harmonious relationship."

The two things met.

After the administration settled on plans in 2019 that wouldn't require majors to be cut, bruised feelings remained. Faculty leaders felt successful because majors had been preserved and no one with tenure was being laid off. But they still believed they'd lost talented colleagues to retirements and resignations prompted by the administration's plans.

The way administrators approached faculty members didn't sit well, says Mary Bowman, professor of English and chair of the UW Stevens Point Common Council, the body representing academic, faculty and university staff in shared governance. She described administrative engagement as "ad hoc," with deans talking to department chairs instead of communicating with committees under the existing shared governance system.

"We got something in many ways that was a surprise to people, and it was presented as, 'Here is the plan,' " Bowman says. "That is automatically going to create resentment and paranoia."

Stevens Point's administrators characterize the situation differently. It took a while for all constituencies to become versed in the issues confronting the university, they say. They found ways to achieve budget reductions, but even then, work remained to be done to set the institution up for the future.

"The faculty have a heavy lift in terms of how to engineer these degree programs and make them more relevant to the 21st century, more appealing to the students and more infused with the liberal arts," Patterson says.

Discussions about cuts aren't easy, Bowman acknowledges. She still hopes for more deference to shared governance and established procedures.

"It would always be a contentious conversation, and I don't know if we'd ever get consensus," she says. "But I think it's possible to have a healthy debate about that kind of question and at least have all the voices heard and inform whatever decision gets made."

The relationship between administrators and faculty members can be particularly complex when unions are involved—and Stevens Point's faculty and academic staff are represented by a union. Unions have an interest in making sure their members enjoy good employment terms and that their other rights are respected. Faculty councils or faculty senates have an interest in protecting the integrity of their academic programs. And administrators are tasked with keeping institutions solvent and relevant.

Those interests can all line up. But often, they don't.

"I actually think that a faculty union, if it works well, is the best situation you can have," says

Erickson, president of Northern Michigan University. "In some ways, it's easier to get faculty buy-in. Now, a dysfunctional faculty union is probably the worst of all."

A dysfunctional union or poisoned relationship between union members and administrators can throw a wrench in institutional actions that require faculty support, like starting new programs, Erickson says.

Experts fear something will have to give across the country as student demands change and college finances shift. Unions understandably want to preserve their membership and benefits. Professors want to protect tenure to guard their academic freedom. But large-scale trends point to working conditions having to change in many institutions, some say.

The point doesn't only apply to unionized campuses, although the dynamics are most complex there. Many of the tensions blamed on unions exist with faculty members at non-unionized institutions. The ideal of shared governance remains whether a campus is unionized or not.

Privately, many leaders grouse about the faculty at both unionized and non-unionized colleges refusing to change. Some suggest that tenure impedes their ability to innovate on their campuses. Few will speak so boldly publicly, however, often because they don't want to sour relations with their own faculty members. The larger issues of faculty flexibility remain a third rail few are willing to touch.

"The problem is, in any university, curricular decisions have to be made because of budgets," Summers says. "You enter this gray, nebulous realm where the faculty want a seat at the table, but they don't want to make any

decisions that will cut their programs or cut their colleagues."

Of course, from the perspective of faculty members, administrative issues need to be addressed as well. Campus and system leaders need to be able to communicate a clear vision for the future while respecting faculty members' desire to be included in the decision-making process.

Going forward, administrators will be challenged frequently to find a way to engage faculty members productively. And faculty members will be challenged to change in significant ways.

"Flexible systems survive and rigid systems break when faced with stress," says Jones, of the National Center for Higher Education Management Systems. "To the extent that relationships are so rigid that they can't change, then they will break. There will be conflict. There will be things unraveling. I don't know what form." ■

PENNSYLVANIA'S STATE SYSTEM TRIES TO PIVOT

Critical Issues: System governance, state coordination, closing and merging institutions, leadership, unionization, rural and urban divides

A new policy giving individual universities flexibility in setting their own tuition rates could be a sign of deeper developments finally unfolding at one of the most change-resistant higher education systems in the country.

The Pennsylvania State System of Higher Education approved the new policy in April 2019. It allows universities to create their own tuition plans that account for regional economic differences, program costs and student needs. The system's Board of Governors will still need to approve each plan, and plans are to be set two years in advance. They could be in place by 2020.

Previously, the system board set one rate for all universities, although it had allowed some universities to pilot per-credit pricing. Institutions had more control over many of their fees, including room and board.

On its own, the tuition change might not seem like a tectonic shift—the system board will still set a base rate for universities that don't create their own tuition plans. But it could prove to be a key tangible development in a system redesign process that dates to 2017 and spans multiple chancellors.

It could also be a signal that a system long criticized for centralized control over university revenues and expenses—and for its inability to evolve—is finally moving to meet intense enrollment and financial pressures.

"Institutions are funny," says Daniel Greenstein, chancellor of the Pennsylvania State System of Higher Education, or PASSHE. "Higher ed, among them, would rather die than change. We'll see."

Greenstein has made the case that PASSHE has at most a decade before demographic changes and financial problems catch up to the system of 14 state-owned universities in Pennsylvania. He's not the first. Several PASSHE chancellors have attempted to put in motion significant overhauls in the past, only to be stymied or step down before the process could play out completely.

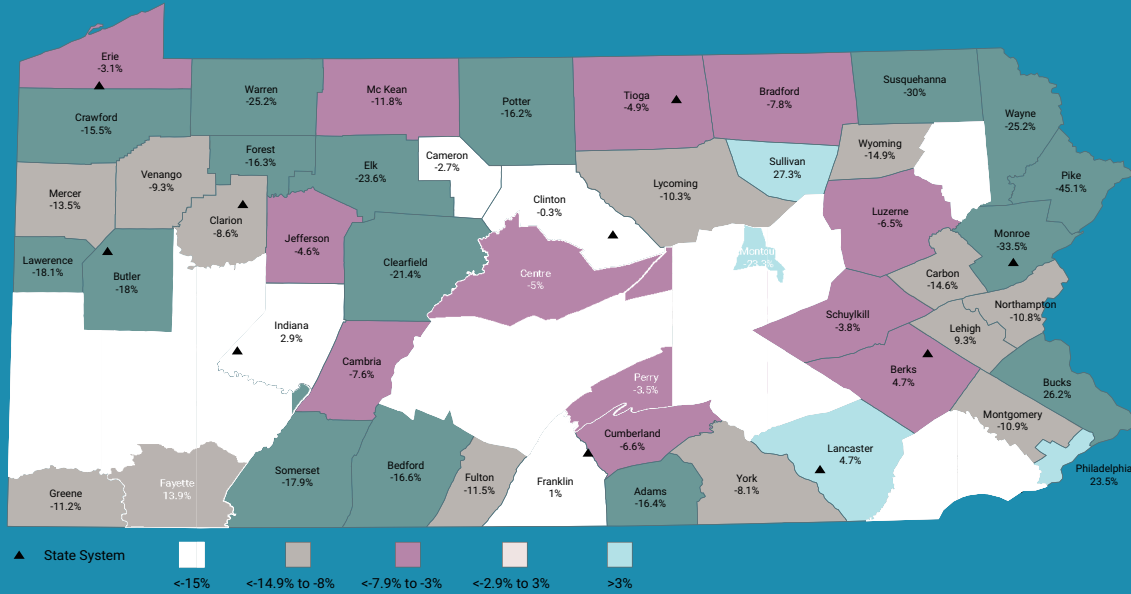
The most recent push can be traced back to the tenure of Frank Brogan, who left in September 2017. Just months before he departed, a system-contracted review

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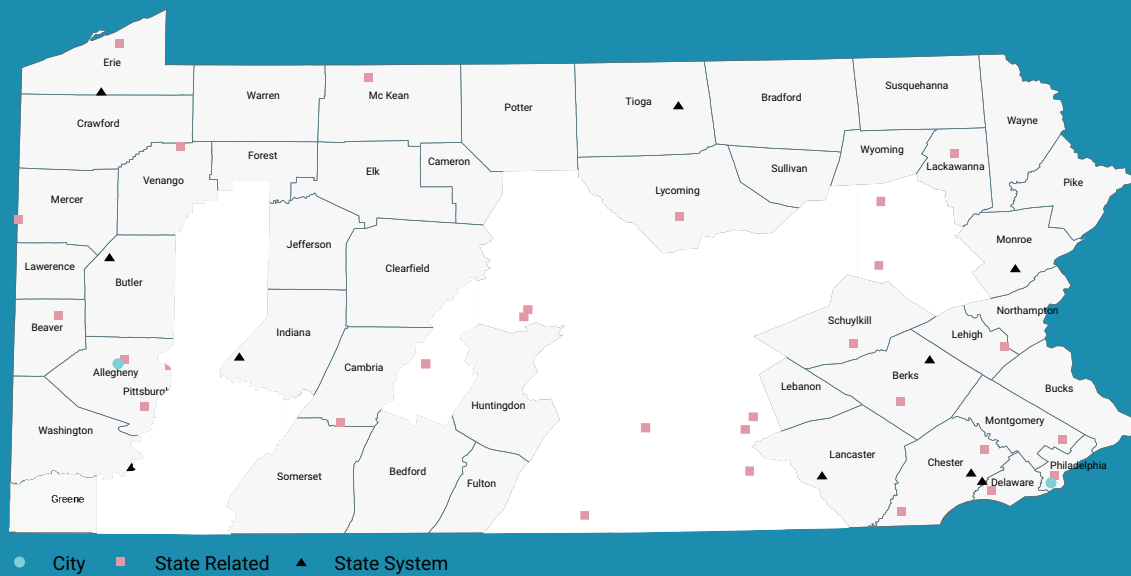
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Fig. 10 Forecast Change in Youth Population by County, Pennsylvania, 2015-2030



SOURCE: Rand Corp. "Promoting the Long-Term Sustainability and Viability of Universities in the Pennsylvania State System of Higher Education." Data from the Pennsylvania State Data Center

Fig. 11 Location of State System and State-Related Universities in Pennsylvania



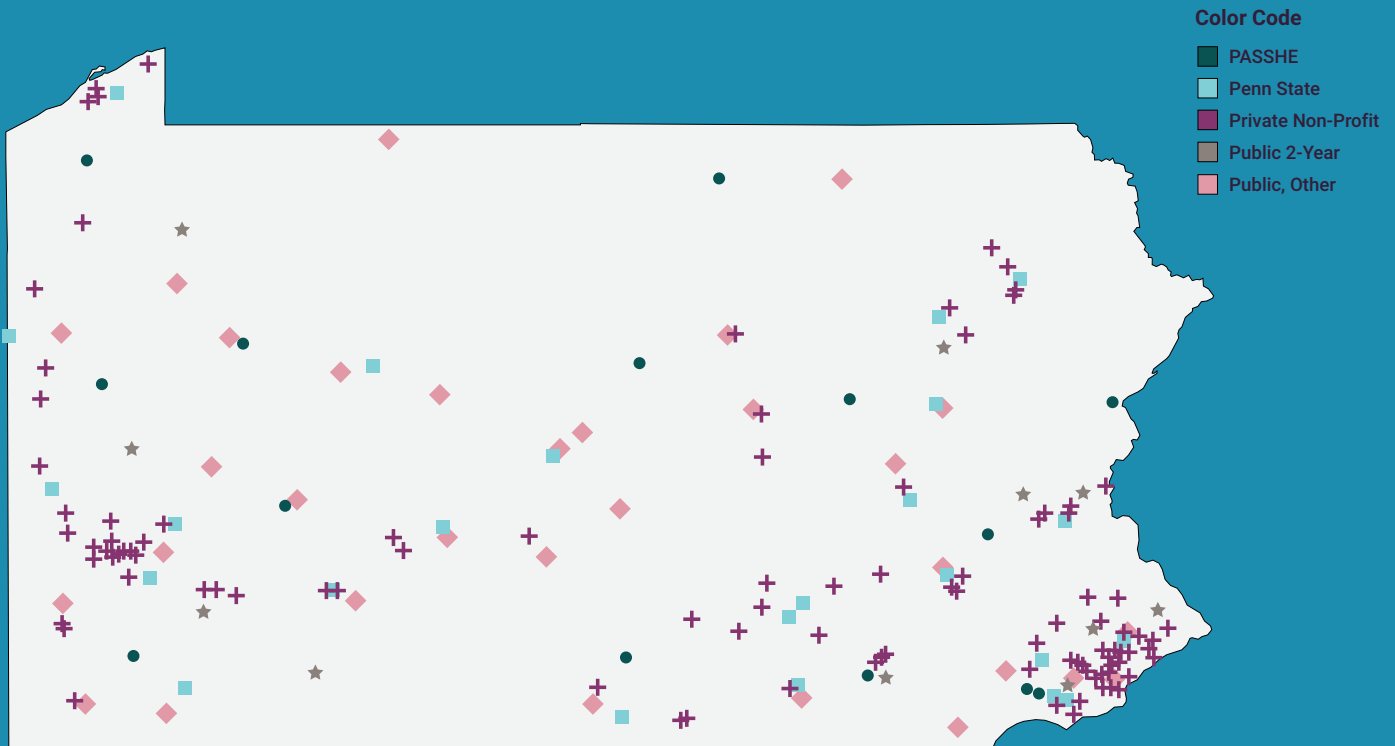
SOURCE: Rand Corp. "Promoting the Long-Term Sustainability and Viability of Universities in the Pennsylvania State System of Higher Education." Data from the National Center for Education Statistics

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Fig. 12 Title IV-Eligible, Degree-Granting Postsecondary Institutions in Pennsylvania



Source: The National Center for Higher Education Management Systems. "Pennsylvania State System of Higher Education Strategic System Review Findings and Recommendations"

conducted by the National Center for Higher Education Management Systems highlighted a host of issues at PASSHE.

They included unsustainable spending, a climate of distrust between different stakeholders, state regulatory burdens, unhealthy competition instead of collaboration between institutions, weak leadership capacity and a mind-set of viewing the system's universities as employers first, instead of educational institutions.

Problems can be tied to the system's founding legislation from the 1980s, which set up a politicized governing board and confused lines of authority, the report said. The state's governor and secretary of education have seats on the Board of Governors, four legislators are selected by majority and minority party leaders in the state Legislature to serve

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on the board, and the governor appoints 11 more board members to four-year terms.

The NCHEMS report called for major changes to PASSHE governance and higher education coordination in Pennsylvania. But it dismissed the idea of eliminating the PASSHE central office, closing or fully merging any of its 14 institutions, splitting institutions off from the system or undermining collective bargaining.

Less than a year later, in April 2018, the RAND Corp. released another study on the system's future—this one commissioned by state lawmakers. It laid out a series of options, choosing as favorites those that would have PASSHE merged into or run by Pennsylvania's state-related universities like Pennsylvania State University. Failing those options, it favored mergers between different PASSHE institutions plus other structural changes.

The second study was immediately criticized by the system and its faculty union. At the time, it was unclear whether PASSHE would actually change. Conditions in Pennsylvania seemed almost engineered to keep the status quo in place.

Indeed, the Pennsylvania State System of Higher Education represents a microcosm of almost all of the reasons it can be difficult for regional public universities to adapt to meet evolving markets, even if challenges have clearly been developing slowly over long periods of time.

Most of the state's 14 universities started out as normal schools before being joined

together by state legislation in the early 1980s. Many are located in counties or regions where the traditional college-age population has been expected to decline through 2030, and many are in rural areas that have lacked consistent long-term economic growth.

At the same time, the state system has a unionized work force whose contracts are negotiated centrally. That means jobs at the universities are often considered among the best available. About 85 percent of all system employees are organized under seven separate labor unions.

The futures of several PASSHE institutions have long been political footballs. For instance, Mansfield University, in the sparsely populated northern part of the state, saw its enrollment shrink roughly in half between 2011 and 2018. But state lawmakers balk at the idea of closing it. The university lies in the district of a legislator who is the president pro tempore of the State Senate, and he has advocated strongly for its future.

Elsewhere, Cheyney University is a historically black institution located to the west of Philadelphia that has struggled for years with enrollment and financial challenges. The system has extended and forgiven tens of millions of dollars in loans to the university in recent years.

Cheyney was placed on probation by its regional accreditor in 2015, threatening its ability to receive all-important federal student financial aid funds. Then in 2017, Cheyney's accreditor placed it on show cause, asking it to explain why its accreditation should not be

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revoked. The university's accreditation would remain up in the air, with deadlines eventually extended until fall 2019. As of fall 2018, the university's head count totaled just 469.

Decisions about Cheyney's future are bound to be historically significant and politically fraught. It is the oldest historically black university in the country and has powerful backers in the state Legislature.

Meanwhile, Pennsylvania's higher education landscape is largely uncoordinated. In addition to the state-owned PASSHE system, separate state-related universities operate across the state with significantly more autonomy. Perhaps the best known of those state-related universities, Penn State, has a network of branch campuses that many believe duplicate PASSHE programs and compete with them for students and public support. Pennsylvania also has a large number of private colleges and universities that compete for students—the Association of Independent Colleges & Universities of Pennsylvania has nearly 90 members.

PASSHE leaders have complained about state disinvestment and state funding that is spread too thinly across Pennsylvania's different higher education institutions. The funding situation has contributed, many say, to a rising reliance on tuition for revenue, undercutting the system's goal to provide students access to affordable education. In 2015, state appropriations per student for the state system were just 76.5 percent of their 2008

levels, after adjusting for inflation, according to NCHEMS calculations. Tuition revenue had risen by 26 percent.

"If we want to get to the root cause of why our universities are struggling and struggling more than they ought to be, it's all rooted in funding issues," says Ken Mash, president of the faculty union for the state system. "The result has been to raise tuition and fees, and we can see the declines are taking place with families that are making less than \$110,000 per year."

System head-count enrollment peaked in 2010 at nearly 120,000 students, then declined annually to about 98,000 in fall 2018. Only two universities increased enrollment on a year-over-year basis that fall.

Regardless of the state funding situation, Pennsylvania is facing demographic challenges. The number of traditional college-age students dropped precipitously in the last decade and is not expected to recover significantly in the near future.

Although some PASSHE institutions increased their graduate student enrollments in recent years, the system as a whole remains heavily reliant on undergraduates. More than eight out of 10 students are undergraduates.

So the Pennsylvania State System of Higher Education doesn't just represent a microcosm of the reasons it can be difficult for regional public universities to change. It is a microcosm of the challenges they face, too.

The system redesign framework lays out three priorities: ensuring student success,

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leveraging university strengths and transforming the governance and leadership structures. Greenstein, who previously led the Bill & Melinda Gates Foundation's postsecondary education work, puts it slightly differently: restructure the office of the chancellor, add accountability to strategy and budgeting, leverage the system's scale, and rebuild the system's culture.

The last point is critical in a system where some presidents bemoan heated rhetoric escalating over time between union and administration. That rhetoric may have cooled with Greenstein's appointment—he's appeared publicly with the union president, Mash, and calls him a "smart guy" who is a "systems thinker" and a strategist.

Greenstein has sought union input on issues and worked to place faculty members on important task forces, Mash says. Faculty members seem to appreciate that.

But the hard part has yet to truly start. The union contract was expiring in the summer of 2019, and the system redesign had yet to generate many specifics as of that spring. When asked whether the union would be open to restraining staffing costs by creating different pay scales at universities in parts of the state with different costs of living, Mash does not endorse the idea.

"They don't have the authority to do that," he says. "We'll listen to anything, but I don't think our members would be too interested over all."

The powerful state faculty union isn't the only potential source of tension, though. Splits could develop between a number of different constituencies, including the system board and local councils of trustees, Greenstein says.

"In any system, you've got a number of lines of division between the system office and the universities, between the faculty and staff and—our system is complicated—between the Council of Trustees and the board," Greenstein says. "You're talking about a massive shift, culturally, in terms of staff capability and in terms of the reward structure."

Time will tell whether Greenstein's early relationship building pays off. When it comes to specific structural ideas to help the system, he talks of building an infrastructure that multiple universities can leverage, saving money while keeping their identities distinct. Individual universities don't have to manage their own student information management systems or career services offices, for instance.

Just a few years ago, universities and systems had no choice but to build their own solutions for such sharing. But the public-private partnership and licensing opportunities are improving, opening up options that didn't exist before, Greenstein says.

On the academic side, the university seems headed for an attempt to redesign its entire stack of policy and operations. How can universities better align credit transfer, course catalogs and transcripts between institutions? How can programs be coordinated so that universities can share faculty expertise

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between neighboring institutions, either on the ground or online?

On the financial side, system leaders have been negotiating a phased retirement plan for faculty members. Instructors would see their salaries drop with work performed while still receiving full benefits. But savings would not be particularly large immediately.

The next three or four years, at least, will be difficult as leaders seek to stop the bleeding and find ways to innovate.

They face an early test with Cheyney. Critics have long feared a reckoning at the historically black university. Other presidents in the system worried about their budget surpluses going to Cheyney's campus, while Cheyney backers worried about loss of opportunity for its students.

Cheyney's current accreditation situation may force the issue. Greenstein has said closing the university is off the table but that it would be wise to think about a world where Cheyney's accreditation is revoked. That could mean having Cheyney a focus on technical or career education.

Aaron Walton, Cheyney's president, wants to monetize some of the university's 275-acre campus in a way that could open up opportunities for its students. The university uses only a small part of its campus, and 100 acres

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“I want to be certain we understand the consequences of our inaction. Let's give it a name. It's called terminal financial decline. Let's give it a duration. It's got about seven to 10 years. Every choice we make has a consequence.”

Daniel Greenstein

Chancellor

Pennsylvania State System of Higher Education

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could host other partner institutions without issue, he says.

Walton has outlined plans to bring partners onto campus including a local company, Thomas Jefferson University and a hotel and conference center. He has also discussed a partnership with the Starbucks Foundation.

The idea is for students to have access to internships, and for corporate partnerships to inform the university's curriculum. Announcements about the plans have caused student interest to spike, Walton says.

"I'm a nontraditional president," says Walton, a former health care executive, member of the PASSHE Board of Governors and member of the Council of Trustees for California University of Pennsylvania. "I came out of business and industry after 40 years. Part of my role in industry was doing turnarounds. The philosophy I'm using here at Cheyney is a business model. There is no question this is an academic institution, but the issues it faces are business issues, primarily."

Walton doesn't believe the changes he is pursuing at Cheyney could have happened five years ago. The university's culture and leadership were not in the right position then.

"Philosophically, I think every university has an asset or two that's probably underutilized," he says. "It's just a matter of finding out what your niche or asset is that you can use."

Others who have long been affiliated with the system wonder if the current approach

and current conditions are enough to make this redesign effort substantially different from past ones. The system is using presidents as resources who can solve problems and address local conditions, says Greg Weisenstein, a former president of West Chester University.

Weisenstein knows about the challenges of the system and institutions' desire for autonomy. When he was president of West Chester, the university was heavily involved in an effort to pass legislation to allow wealthier institutions to buy their way out of the state system and into state-related status. West Chester is one of the strongest of the PASSHE institutions.

Another significant change is additional transparency brought by the new system leadership, Weisenstein says. Yet to be seen is whether centralization of appropriate functions, like credit transfer and contracting, can be realized.

Weisenstein also points out that leaders have heard pushes for overhauls before.

"It reminds me very much of the old saying 'the more things change, the more they stay the same,'" he says.

Other signs indicate at least some leaders of individual universities are buying into the system redesign and leadership. The chancellor has been using trustees to generate ideas and has been giving them a voice, says Jeff Smith, a trustee at Slippery Rock University, who is president of the Pennsylvania Association of Councils of Trustees.

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That's exciting, Smith says. For a long time, trustees complained they didn't have as much responsibility as they would like.

He also says he's adopted a more systemic view than he used to have as a local trustee, perhaps providing proof that asking individual trustees to do more than solely focus on their own institutions can be successful.

"If you look at the system, a lot of the schools are in fairly small towns," Smith says. "If you pull Shippensburg out of Shippensburg, Clarion out of Clarion, Indiana out of Indiana, it's going to be devastating to the local economy. You start seeing how intertwined all these schools are, and you start thinking about the whole point of the state system is to have affordable education for everybody in the state. So you need a school up in Mansfield, because where else are those kids going to go?"

It is important to be optimistic about new ideas. But it is also important to guard against an overly rosy outlook, according to Michael A. Driscoll, president of Indiana University of Pennsylvania and chair of the PASSHE Commission of Presidents.

"Everybody has to understand there is no silver bullet to any of this," Driscoll says. "People talk about, 'we will just add online education and that will be fine,' or 'we will serve adult learners in other ways and that will be fine.' There's not a cash cow there."

Yes, he continues, adult learners need to be educated, and PASSHE institutions can do

some great things for them. Yet adults are expensive to serve, and finding a critical mass for any one program is difficult. So is serving adults when and where they can attend class while juggling everything else that comes with their lives.

Many of today's leaders have never had to live through a time of true retrenchment.

"Almost all of us in higher ed now grew up in a time when we were growing and know how to deal with that," Driscoll says. "Even though state support was declining, enrollments were growing. I don't think there's been this kind of traumatic experience since maybe the '70s. So we're all having to figure out how to deal with this. Systems, whether locally at universities or state systems, have been able to grow, do new things, add things and not worry quite as much about what to get rid of."

That's no longer the case in Pennsylvania, and some would argue it hasn't been the case for years. Yet to be seen is whether the system's current leaders will be able to navigate the complex academic, political, economic and union environments to truly revamp operations.

Those forces have derailed overhauls before. Is the threat on the horizon bigger this time?

"I want to be certain we understand the consequences of our inaction," Greenstein says. "Let's give it a name. It's called terminal financial decline. Let's give it a duration. It's got about seven to 10 years. Every choice we make has a consequence." ■



Best Practices

One specific national blueprint won't help leaders trying to turn their regional public colleges and universities into resilient institutions meeting community needs for years to come. The levers that will have to be pulled are too dependent on specific contexts, local histories and state demands.

But guiding principles and practices can help. The following best practices, which various leaders and experts mention frequently, can aid leaders trying to prepare an institution for the future.

Think Local

It may be obvious at this point, but it's worth emphasizing. Regional public colleges and universities are distinct first and foremost because of place. They must continue to prioritize their local areas.

"You be you," says Margaret Spellings, former U.S. secretary of education, former president of the University of North Carolina system

and now a senior consultant with Texas 2036, a group focused on public policy. "Really embrace your regional comprehensive role as the major engine of preparing the work force of tomorrow in your community, in your region, and stop worrying about National Science Foundation grants."

Regional public colleges and universities must perform a self-analysis that starts with asking how closely they are aligned to meeting educational, work force, economic and cultural needs of their home areas, experts say. It's not just waiting for local employers or community foundations to knock on the president's door with a great idea. It's spearheading a deep analysis of regional opportunities, breaking down occupational growth forecasts and asking what similar regions are doing.

Be the center of the action. Convene different groups, says Reed, commissioner of higher education in Louisiana.

"Are you improving the lives of people in your community and improving your community

because you are a thought leader, not because you are responding to a request?" she asks. "If we're not talking about strategic investment and how when we get better, the region gets better, the state gets better and families get better, then we're missing our responsibility."

Local roots are a strength, says Kathy Hebda, the chancellor of the Florida College System, the state's community college system, which has added a significant number of bachelor's degrees.

"There are a couple of foundational things in Florida that really have helped us, especially in the college system, over the years be prepared to respond quickly to needs," she says. "The first thing is the regional nature of our college system and the designated counties they serve and that their boards of trustees are all from their local region. It is part of their mission to serve the work-force needs of the region they are in."

Take it from faculty. Fully committing to local connections can create a fulfilling ecosystem, faculty leaders say. It allows them to work with people and think through problems on the ground.

Research on teaching is a good example, according to Orphan, assistant professor of higher education at the University of Denver.

"Because of the stigma around teacher education and being a normal school, there has been an effort to show that we're more than just that," she says. "These schools that have huge teacher prep programs, much of the research is directly targeted to questions that the school district has. And then you'll see, it's a pretty beautiful thing, because the teachers will form relationships with the

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“If we're not talking about strategic investment and how when we get better, the region gets better, the state gets better and families get better, then we're missing our responsibility.”

Kim Hunter Reed

Commissioner of Higher Education
Louisiana

former professors and they'll do these projects together. There's no ivory tower here. The campus boundaries are very permeable or even nonexistent."

Engage the Faculty

Faculty members remain the heart and soul of institutions. They are the leaders of the classroom, the researchers in the field and often visible members in the community. They are also the guardians of academic programs.

Put differently, the faculty represents many of the touchpoints with which other constituencies interact. And leaders will have to fight them or persuade them before putting core changes in place at any regional public college or university.

"Provosts and deans have to work very hard with their faculty senates and faculty governance bodies," says Gonzales, of Michigan State University, who has studied faculty careers. "They have to think across the broader life cycle that's represented in their faculty on campus."

Relationships between faculty members and administrators often turn acrimonious. But when they are on the same page, faculty members can be a powerful force helping administrators achieve goals, experienced presidents say.

"If you can get some cadre of faculty who get excited about creating new programs and see industry partners as having all or some of those goals, then they can be the best champions," says Haynes, president of Cal State University San Marcos. "Quite frankly, administrators can champion, but when faculty can

speak to their colleagues, that is probably the most persuasive."

Focus on Flexibility

Public institutions with as many different constituencies as a regional public college or university struggle to be nimble. Many are bound by law or mission to serve specific roles.

Nonetheless, the same constituencies that can make nimbleness difficult—students, parents, businesses, community leaders and lawmakers—are demanding institutions adapt to changing conditions.

In some cases, this might mean questioning fundamental beliefs and structures in modern higher education. Who should go to a four-year college? What degrees should be offered where? Who should teach classes, who should perform research and where should they all be physically located?

"I've seen some statistics that lead me to believe it's possible in Vermont and around the country that we've been encouraging more students to go to a four-year bachelor's program than really is in the best interest of our students," says Spaulding, chancellor of the Vermont State Colleges. "I think we are going to see more associate certificates being developed if we're going to serve that 40 percent or 60 percent that's not going to college."

Leaders don't necessarily have to abandon the structures that have worked in the past. But they will be stronger if they reconsider them.

"I think the advantage is going to go to those who have a sense of urgency about their

relevance and who don't want to live on past glory," says Rosenberg, president of Florida International University. "Some of the old categories are just not going to work in a 21st-century context."

Those who know the higher ed landscape best recommend college and university leaders consider ways to improve institutional flexibility and institutional structures that will allow colleges to react to market changes more quickly.

"The pace of innovation does need to increase," says Hurley, CEO of the Michigan Association of State Universities. "One aspect of that is the need to be more nimble and quick with regard to the creation and implementation of new academic programs—market-responsive academic programs."

Lobby Smarter

Higher education leaders shouldn't stop advocating for more state-funded operating support, student aid or capital investments, leaders say. They must realize, however, that they're making a tough sell in a world where state lawmakers face aging populations, high pension liabilities, rising public health-care costs and skepticism of tax rates.

That means regional public college and university leaders must think about how they can better make their points to lawmakers and members of the public who may be more inclined to prioritize big-name flagship universities. They may also want to consider making their case to donors, foundations and those who control other sources of funding.

"I think more and more, if they're good at telling their stories, they are going to be able to

show these are places of transformation," Orphan says. "If you're going to give your money and make a big difference, give us your donation and see what we can do."

Some college executives make a point of building personal relationships with lawmakers. They track data that allows them to tell legislators exactly how many alumni live in their districts and how many students from the district are enrolled in a regional public college or university. All politics, they say, is local.

College leaders tend to believe that reason drives decisions, says Rosenberg. But he doesn't believe that's the case.

"People like me should do a better job of understanding that emotion drives reason, and it's not reason that drives emotion," Rosenberg says. "The quicker we come to grips with that, the easier it is for us to be able to communicate what it is we're doing, why we're doing it and why we can make a difference for legislators who have too many demands and not enough ability to meet those demands."

Data still matter, leaders say. Data just matter more when you have an existing relationship with someone and understand what's important to him or her.

"Relationships matter in public higher education between the leader of a system and the campuses with leaders in, in our case, Sacramento," says White, California State University chancellor. "When you execute and can show the folks in Sacramento that we said we would do this if they gave us money and now we're doing it, it really helps the next annual decisions about budgets."

Evolve the Presidency

If the regional public university of tomorrow looks different from the regional public university of today, the nature of the presidency must be different as well. And so must the person filling the role of president.

Presidents already say their roles have evolved over time. For example, fund-raising has become increasingly important for Cal State presidents, says Haynes, president at CSU San Marcos. Presidents at all regional institutions have to do more to spearhead partnerships in the community.

“What presidents now have as primary parts of their portfolios was not true even 30, 40 years ago,” Haynes says. “Presidents at public comprehensives could be more the scholar-research person who engaged with students and not with alumni, donors, legislators. Not as much with the community-engaged institutions.”

Boards and search committees tasked with hiring presidents will likely want to consider the fact that campus leaders have many intertwined issues on their plate, from recruiting faculty to lobbying lawmakers and working in the community. Adam Day, chairman of the California State University Board of Trustees, jokes that the board looks for a superman or superwoman to lead a campus.

“We want so many great traits,” he says. “Someone who is a good manager but also can delegate and build strong ties underneath the president. Then every campus has unique needs, whether it is a specific academic issue or historical issue, or perhaps someone who is going to be more culturally sensitive to a specific demographic or population that campus is going to be serving.”

That last point is critical. Boards will want to consider hiring presidents that look more like the diverse students of tomorrow so that their interests are better understood and represented—and so those students feel welcome on campus.

Remember People

It’s easy to lose sight of the fact that college is a people business. Students, faculty members and other employees all have their careers, hopes and dreams invested in institutions.

And they often approach regional public institutions with a certain expectation of stability. So leadership requires a soft touch when times are unstable, institutions must change and programs or jobs must be cut.

“There is going to be a rationalization of these curriculum structures,” says Carnevale, of the Georgetown University Center on Education and the Workforce. “They need to figure out a way to take care of the people who wanted to be in those majors and to take care of those professors.”

Michigan colleges have found students want to study for work they enjoy and work that will make a difference, Hurley says. Their parents want the same.

So it’s not all about the economy.

“Economic security is key,” Hurley says. “Social mobility is key. But it’s about actually harnessing a college education to make a difference much more broadly.”

When it comes to reaching out to new student populations, remember that none look the same. Groups like Latinx and rural students are often discussed as homogenous, but reality is very different. What matters to

a prospective student in Florida is going to be completely different than what matters to one in Texas, regardless of whether they are both Latinx, says Sansone, of the University of Texas at San Antonio, who researches issues of equity and success for diverse student populations.

The first step for an institution is reaching out. But it will take time and effort to establish trust.

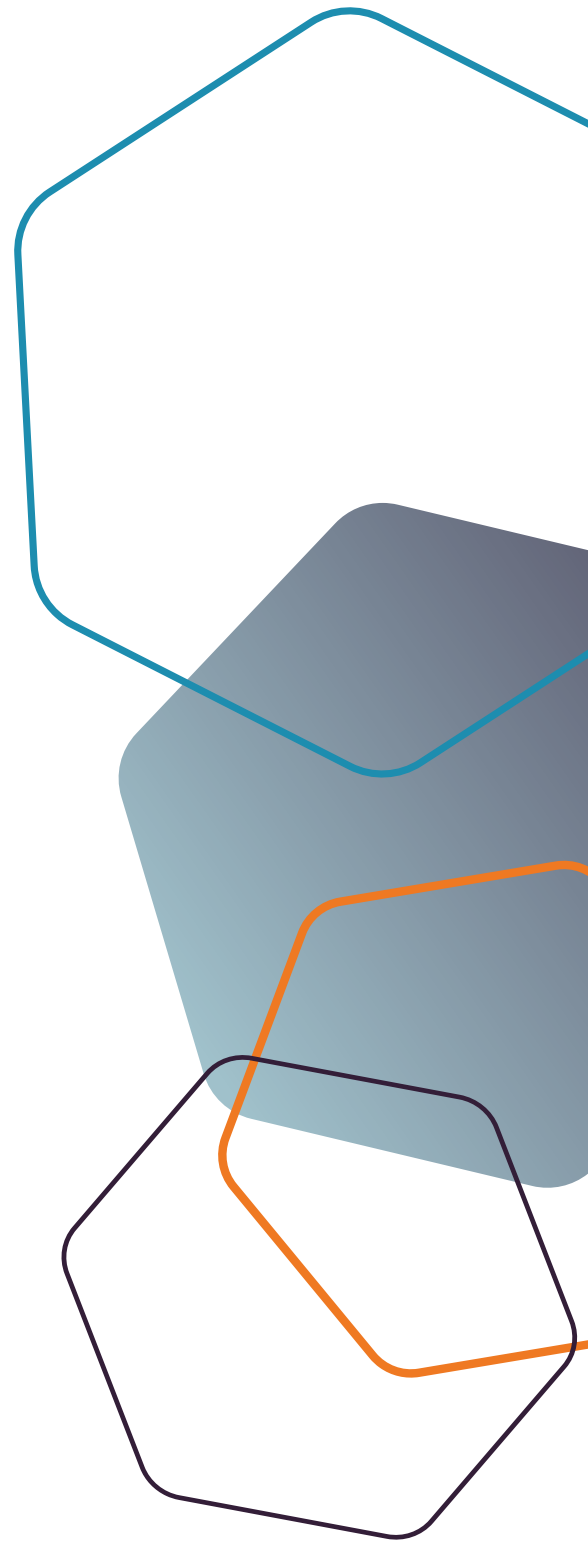
“It really is developing partnerships and relationships,” Sansone says. “To have someone come in who is not part of that community takes time and commitment and intentionality from the institution.”

Don't Lose Sight of the Big Picture

With everything going on—squabbles with the faculty, scrambles for students, pressures to rise in rankings—it can be easy for leaders to forget about their institutions' missions.

Several regional public college and university leaders point out that their institutions' mission statements aren't about building empires. They're about benefiting states, communities and students.

“How do we personalize education at scale?” says White, of Cal State. “Serving the state and serving the students who make up the state and are the state's future—if you lose track of that, then you've lost track of the north star.” ■



Conclusion: Will They Stay the Same?



In 1984, Alexander W. Astin presented a paper, “The Changing American College Student,” as part of a series of colloquia in celebration of the Duke Endowment’s 60th anniversary.

The colloquia were to be focused on private higher education, but Astin, a professor at the University of California, Los Angeles, and director of the Higher Education Research Institute there, provided an overview of long-term trends in freshman surveys of a nationally representative sample of two-year colleges, four-year colleges and universities across the country. His remarks were hardly limited to private institutions.

Astin identified as trends a decline in academic skills, shifts in educational and career plans, and changes in demographic characteristics of entering college students. The fields of business and technology were increasingly popular, while the traditional liberal arts were in a “bear market,” which Astin theorized could be in part due to students increasingly interested in making money. Students had gone from being mostly male in the past to a majority of incoming students being women. And

college students were becoming proportionately less white.

“Between the mid-1960s and the mid-1970s, the representation of minorities in entering freshman classes nearly doubled,” Astin wrote. “Considering that the absolute size of the freshman classes was also increasing during this period, such a sharp increase in the proportion of minorities among entering freshmen is all the more remarkable.”

Further, Astin noted that two-thirds of students at the time were saying a major reason for attending college was to be able to make more money, up from about half in the early 1970s. Measures of student values showed that ideals related to altruism, like helping others, promoting racial understanding, cleaning the environment and participating in community action programs, showed the largest declines.

How should the higher education community

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react to these changes, Astin wondered. Should programs in the humanities be phased out or cut back, while business and technology programs were expanded? Should the traditional curriculum be rethought, perhaps to require courses addressing issues like the purpose of a liberal education, the relationship between education and quality of life, or the effect of technology on lifestyles?

The percentages may be different, but the trends and issues Astin raised are eerily similar to those of today. He added one more point that should be of particular interest to regional public colleges and universities, a point on careers in teaching, which he considered to be declining at the time.

Teaching was unattractive to well-prepared students for many reasons, but the academy must share some of the blame, Astin wrote. Twenty-five years prior, the United States had more than 200 teachers' colleges, but it had "practically none" as of the time of his writing.

"Teaching is not valued in the reward structure of most of our major universities," Astin wrote.

"We in the more lofty reaches of the education system are fond of criticizing the secondary schools, but could it be that the chickens are coming home to roost? That the declining educational competencies of today's freshmen are directly attributable to the poor quality of the teachers that we sent out to educate them? I am also suggesting that the current public cynicism

and negativism about higher education may be in part our own doing. The condescending attitudes of academics toward the art and profession of teaching have not gone unnoticed by the students who have passed through our institutions over the past several decades. Many of our voting citizens, and practically all of our politicians and policy makers, have been exposed to four or more years of higher education and have almost certainly acquired some of their professors' attitudes about education."

Today, this rebuke will resonate most with those at those regional public colleges and universities that have roots as normal schools. Yet it should also echo across the sector, which has long been focused on teaching and education—and has long grappled with whether to supplant that mission with more prestigious pursuits like research.

This identity crisis continues to play out at regional public colleges and universities, even as the trends that were established 35 years ago remain in place today. Student bodies still diversify, and careers remain a focus. State support can still be described as constrained. The economy keeps hollowing out the middle of the job market and the country.

In the face of these trends, the continued existence and resilience of regional public colleges and institutions is a truly remarkable accomplishment. That they endure as gateways to opportunity and mobility for students without other good options is a testament to their value.

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“There are a lot of people who are talking a lot about the vulnerability and fragility of these institutions,” says McClure, of UNC Wilmington. “I have started to kind of flip that and look at it in a different way, which is to say that I think some of these institutions are a lot more resilient than we give them credit for. Many of them are operating very efficiently. They are very accustomed to working with very little, more so than maybe some other types of institution. They may be prepared to weather some tough times.”

The question now is whether leaders and campuses are prepared to take initiative and find ways to preserve their core missions and meet the new challenges of today while overcoming the trends that have been underway for a quarter of a century.

Fail to do so, and tomorrow’s regional public university may very well be wrestling with the same issues in another 25 years. ■



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