Alliance for Research

on

Higher Education

Mission and Goals of the Alliance

Premise

It is well understood that the economy of a state and the well being of its citizens are interwoven with its education system in general, and specifically with its institutions of higher education. Discussions of affordability, accountability, and access (to name a few) cannot take place without consideration of the state's economic health. In parallel, a state's business and economic growth cannot exist without consideration of the role that education plays in terms of opportunities and workforce.

South Carolina does not have an organization dedicated to evaluating the policies implemented that affect education, even though almost 50 percent of the state's annual revenues are allocated to education, including elementary, secondary, and post-secondary education. Without an organization devoted to the highest levels of academic integrity, empirical research, and full dissemination of results, the state cannot know if it is successfully achieving its goals for higher education.

Mission

The mission of the **Alliance for Research on Higher Education** (the Alliance) is to serve as a state, regional, and national resource for information on the relationship between higher education and a state's economy. Until formalized by the first Board meeting, the **Alliance's** goals are as follows:

- provide expertise to assist leaders in framing policy issues useful in strategic planning;
- produce high quality, replicable policy analyses for publication and presentation; and,
- collaborate with other researchers and policy makers interested in applying and furthering research in higher education.

The **Alliance** is dedicated to gathering, analyzing, and reporting on information relative to the impact, economic and social, that higher education has on states and their citizens. Annual projects will be determined through collaboration with institutional partners and by external funding opportunities, including those from state regulatory agencies and legislative committees. As appropriate, these projects will draw experts from other institutions and other states in order to produce a more robust analysis.

The work of the **Alliance** will represent the best objective, empirically-based research related to the complex issues affecting higher education.

Initial Alliance Offerings

It would be of immediate benefit to South Carolina and to the region to support an interdisciplinary center that merges government and public affairs data with higher education data regarding higher education's contributions to the public good. The Alliance will fill a gap between rhetoric and politics and will build unique relationships among the constituent groups affiliated with higher education, and the state and regional economies.

The opening phase of the Alliance has commenced. The initial priorities for the first six months include:

- Meeting with institutional leaders to generate partnerships in the Alliance and evaluate projects for primary consideration;

- determining the formal mission and goals of the Alliance, along with associated personnel;

- creating a web site with contact information and other public relations materials;

- initiating discussions with South Carolina leadership regarding potential projects and required data; and,

- writing and preparing an initial series of reports that develop into full grant proposals.

In addition, one of the primary tasks of the initial phase is to discuss with various higher education leaders the topics they consider top priority in the coming year. Through these talks, institutions will be offered an opportunity to become a partner in the Alliance.

Partnership Structure

The Alliance is unique in its structure, allowing multiple voices to set the agenda and actively sharing results with partners. We believe that the issues before us warrant a collaborative organization that benefits all of South Carolina, and that only when the constituent groups have full access to the data as well as to the analysis will the state move past its current challenges.

The Alliance seeks to research issues of priority to public and private institutions. In order to determine the research undertaken by the Alliance, institutions and agencies that would like to become partners will participate on the Alliance Board. Partners in the Alliance support its daily operations, and the return on that investment includes:

- Three annual studies as agreed upon by the Board as priorities;

- At least one presentation at the partner institution on study results;

- Access to secured web site with detailed data related to the above mentioned studies;

- Institution-specific reports as available related to the annual studies;

- Partnerships and infrastructure support for grants; and,

- Full access to a library of higher education research and policy papers.

By supporting the **Alliance**, members will gain a powerful tool in the drive to improve South Carolina education. Each member will have first access to research on higher education policy, participate in a unique consortium dedicated to its members, be better prepared to articulate legislative interests, and gain a strong collaborative from which to garner external funds.

Nothing is more important to a state than the education of its citizens. Education drives economic development, income, and social progress. It is time for South Carolina to have a group dedicated to researching the very issue that defines our future.

Those interested in learning more about the **Alliance** should contact Catherine Watt, Director, at 864-656-0847 (office) or 864-903-3266 (cell).

October 2006 Policy Updates

Policy Paper: NC Board of Governors Needs Tune-up

The North Carolina Center for Public Policy Research (www.nccppr.org) has released a new report suggesting that the NC Board of Governors should receive a "tune-up" in certain areas, while continuing to endorse the governance structure overall. The Center recommends placing an overwhelming majority of Board appointments in the Governor's hands.

The Center says the legislature is not doing its homework to understand the qualifications of the candidates for the Board or to find out candidates' views on higher education policy. In addition, the process is tainted by Board candidates making campaign contributions to legislators. Finally, the legislature is failing to meet the statutory goal of diversity.

Additional comments include better long-term planning, limiting tuition increases, improved oversight of college athletics, and keeping the research universities from undermining the System.

The Alliance is pleased to present its inaugural edition of a regular policy briefing. It is intended to provide leaders with a brief review of national policy papers, Alliance projects, a calendar of events, and other issues that can assist higher education constituent leaders in decision making.

Questions and suggestions should be directed to Alliance Director, Catherine Watt (cwatt@clemson.edu).

The Alliance made its first formal presentation to the Commission on Higher Education October 5th, during their meeting at Clemson University. The Institute's project leaders presented information on current initiatives that can contribute to discussions of SC higher education goals. The Alliance's potential role in analyzing questions related to affordability, workforce management, and enrollment modeling were introduced.

Thank you to CHE Chair Dr. Layton McCurdy and to the other Commissioners for their interest. The meeting was very positive, and we look forward to the Commissioners becoming active partners in the Alliance and to collaborating with the CHE staff.

Presentation materials are available upon request.

Promise Abandoned: How Policy Choices and Institutional Practices Restrict College Opportunities (A report by the Education Trust, August 2006)

"Today, our highest-achieving low-income students actually go directly on to college at rates about the same as our lowest-achieving students from wealthy families." Echoing concerns noted in South Carolina, results from this policy analysis strongly condemn choices made at the state and federal level to assist middle- and upper-class students rather than make proportional increases in need-based aid. If the goals of programs that exist in South Carolina and in other states are to increase the educational opportunities open to students, and college costs continue to increase, then need-based aid should be a priority.

Recommendations include the following: 1) Placing the needs of low income students first; 2) Change the metrics we use to determine "quality" in higher education; 3) Radically simplify the federal financial aid process; 4) Provide incentives in other federal programs to increase service to low income students; and, 5) demand that accrediting organizations consider who institutions serve and how well they serve them.

The Alliance strongly recommends this report and will expand analysis of its data for implications in SC.

Congressional Notes: the Spellings Commission Report

US Secretary of Education Margaret Spellings is on record stating that "time is of the essence" in carrying out recommendations from the new **Commission on the Future of Higher Education** report released in September. In an interview with *The Chronicle*, Secretary Spellings questions college costs and repeatedly states the need for more data about institutional expenses, efficiency, and outcomes. She suggests that institutions should be accountable for student learning in a manner similar to that of elementary and high schools, placing the learning burden on institutions rather than on students.

One of the largest changes is related to unit-record reporting of student records, a process already in place in South Carolina, where institutions have reported student-specific data to the SC CHE for more than a decade. Proponents of unit-record reporting argue that it will validate enrollment, retention and graduation rate numbers, while improving abilities to analyze transfer rates. Critics argue that while some data may be useful, the massive infrastructure required to gather, edit, and maintain the system far outweigh limited benefits. Secretary Spellings refused to suggest a dollar figure that it would take to create this new reporting system or how accountability would be determined.

Another anticipated aspect of the report is the call to restructure the federal financial aid process. The FAFSA has long been recognized as cumbersome and intimidating, and the data gathered has lacked reliability and validity due to confusing questions. Finally, Commission's report is expected to articulate calls for a federal accreditation process, which would be a dramatic shift away from the powerful regional accrediting agencies.

New Study Planned: A Survey of General Assembly Members' Perceptions of SC Higher Education

MUSC Associate Provost & Alliance Affiliated Scholar Dr. Tom Higerd has proposed a new study to assess the perceived strengths, weaknesses, and needs of higher education.

Through surveys and interviews with members who sit on several committees, the Alliance hopes to gain insight into priorities as seen from Legislative perspectives. Research questions pursued in this case study will focus on perceptions of planning, growth, and economic development.

Surveys conducted in 2006 will serve as a baseline that coincides with the Governor's Higher Education Task Force Report. As implementation of the report's recommendations commences, follow-up interviews related to progress made will be conducted.

Grant Proposal in Preparation: Alliance submits to Department of Education to study Costs, Subsidies, & Outcomes

The unique confluence of higher education activities in SC is the subject of a proposal submitted to the US Department of Education by the Alliance. The two-year, $450,000 proposal seeks to study the relationships among the Lottery Scholarships, tuition increases, state appropriations and student outcomes.

Questions related to the study seek to analyze the subsidy structure of higher education, both from the state and returned to it. Also, long term benefits to students are questioned in terms of actual fees paid compared with "sticker price."

The SC CHE will be a significant partner in providing the data for the project; institutions wishing to participate should contact the Alliance office.

The Alliance for Research on Higher Education is a newly formed and unique organization dedicated to research on higher education and its relationship with the economy. South Carolina institutions of higher education, state agencies, and other non-profit organizations are eligible to be members or partners in the Alliance.

Partners in the Alliance will receive detailed policy papers, such as the *Closer Look* series, participate in Alliance Board activities, and have access to additional higher education policy research.

Building a Statewide Enrollment Model

One of the primary questions asked by SC Commissioners, legislators, and the Governor's Higher Education Task Force is how much capacity must higher education plan for in the coming years? It is important to plan infrastructure needs, as well as potential workforce demand.

The methodology of this model is to gather enrollment plans from each four-year and two-year institution; there is no intent to tell the institutions how large they should be. Data from the institutions will be used as the planning points, with data from CHE, the SREB, and the State Department of Education used to assess higher education's capacity to adapt to predicted changes in enrollment demand.

The focus of this report is on undergraduate enrollment only. Graduate and first professional degree program capacity, as well as needs, will be analyzed in a future report.

One of the most practical outcomes of this project is to create a statewide enrollment model that can be placed on the **Alliance** web site and downloaded so that interested parties can test different scenarios.

Need for an Enrollment Model

o   A new report from the National Center for Education Statistics (NCES) predicts that K-12 enrollment will increase 4.9 percent in South Carolina over the next decade. Neighboring states will increase as well (GA 19%; NC 14.7%).

o   While high school graduation rates still hover around 50 percent, and last in the country, even if they remain the same, first-time freshmen enrollment will increase

o   Currently, 64 to 66 percent of those who do graduate from high school continue on in some form of post-secondary education.

o   Over the past ten years, two- and four-year enrollment combined has increased 38.9 percent, approximately the SREB average. Most of this growth has been at the two-year institutions; the four-year institutions have remained relatively constant.

In 2003-04 there were 36,112 high school graduates. Given the prediction that enrollment will increase 4.9 percent, it follows that even if high school graduation rates remain constant, there will be an increase of approximately 1100 graduates. Historically, more than 64 percent of SC high school graduates pursue some post-secondary education, which means **higher education must plan, at the minimum, for 693 new seats in a college classroom over the next 10 years.**

The above-mentioned NCES report also predicts that South Carolina will see a 6.9 percent increase in high school graduates, which at the current post-secondary attendance rate of 64 percent, **pushes the need for new seats up to approximately 1500.**

If high school graduation rates increased 10 percentage points to begin approaching the national average of 67 percent, **South Carolina would need to plan for approximately 3,000 new seats in higher education.**

The tables below are from the new NCES report, showing how South Carolina's predicted growth compares with other states.

Table C. Projected percent changes in the number of public high school graduates, by state: 2002-03 through 2015-16

State	Percent increase	State	Percent decrease
Arizona	71.5	Arkansas	-0.2
Nevada	67.5	Washington	-0.4
Florida	21.1	New Mexico	-0.4
Georgia	20.4	Michigan	-1.3
North Carolina	16.4	Massachusetts	-2.0
New Jersey	16.0	Kentucky	-3.0
Texas	15.5	Missouri	-3.6
Colorado	12.9	Ohio	-3.8
Utah	12.2	Alabama	-3.9
California	10.9	Oregon	-4.3
Virginia	9.0	Pennsylvania	-4.8
Idaho	8.7	Mississippi	-5.1
Indiana	7.6	Oklahoma	-6.4
South Carolina	6.9	New York	-6.5
Delaware	5.1	Hawaii	-7.1
Illinois	4.9	Alaska	-7.7
Tennessee	3.4	Nebraska	-8.2
Connecticut	3.1	New Hampshire	-9.5
Maryland	2.7	Kansas	-9.5
Rhode Island	1.8	Wisconsin	-10.4
		Iowa	-10.6
		Louisiana	-10.6
		Minnesota	-11.7
		West Virginia	-11.9
		District of Columbia	-12.7
		Maine	-13.6
		South Dakota	-21.1
		Montana	-21.6
		Vermont	-21.9
		Wyoming	-22.4
		North Dakota	-26.4

SOURCE: U.S. Dept. of Education, NCES. The NCES Common Core of Data surveys and State Public High School Graduates Model. (See reference table 26.)

Table A. Projected percent increases in public elementary and secondary school enrollment, by state: 2003 through 2015

State	Percent increase	State	Percent increase
Nevada	35.7	Alaska	4.8
Arizona	31.8	Nebraska	4.1
Texas	22.6	Oregon	3.2
Georgia	19.0	California	2.9
Idaho	17.9	Minnesota	2.7
Utah	17.4	Oklahoma	2.7
Florida	16.9	Kentucky	2.6
North Carolina	14.7	Indiana	2.3
Colorado	12.7	Missouri	2.3
Delaware	11.0	New Jersey	2.1
Hawaii	10.6	Mississippi	1.2
Virginia	9.9	Iowa	1.2
Tennessee	8.1	Louisiana	1.0
Arkansas	6.4	Illinois	0.3
Maryland	5.3	Washington	0.2
South Carolina	4.9	Kansas	#

Rounds to zero.
SOURCE: U.S. Dept. of Education, NCES. The NCES Common Core of Data surveys and State Public Elementary and Secondary Enrollment Model. (See reference table 6.)

Methodology for Enrollment Model

Data from fall enrollment files for fall 2000 through fall 2005 will be used to create the model. This powerful source of information includes the primary breaks of interest – residency, gender, and academic class. The CHEMIS files offer the greatest reliability and validity, along with placing the smallest burden on individual institutions.

Institutions will be asked to provide their undergraduate enrollment plans, and interviews with appropriate personnel will be conducted where the plans are not available. Experienced data specialists from across the state will be asked to collaborate in order to improve the data gathered, verify the methodology, and test the model.

Institutional models traditionally consider enrollment down to the college or program area. The statewide model would focus on at the institution level down to the academic class. Analysis using the CHEMIS files will reveal retention rates by class by institution, which will also be used in the model. For example, an institution that brings in large numbers of freshmen but then loses 30 percent of them after the first year will have calculations different from an institution with high retention rates but lower initial enrollment.

Issues of race and major will be maintained in the database for analysis but will not be part of the overall model.

One limitation of this enrollment model is that it does not account for the non-traditional students who will enter SC's institutions. Additional research is needed to determine trends by age and by enrollment status for students over 25 years of age.

Sample Enrollment Model (Excel version can be modified as needed)

	2005	2006	2007	2008	2009	2010
ALL STUDENTS (NEW + CONTINUING)						
Freshmen	3526	3334	3328	3328	3328	3328
Sophomores	3399	3487	3384	3375	3374	3373
Juniors	3366	3606	3697	3628	3611	3609
Seniors	3554	3550	3727	3820	3786	3765
	13,845	13,977	14,136	14,151	14,099	14,075
TOTAL STUDENTS	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
Degree UG	13845	13977	14136	14151	14099	14075
Non-Degree UG	147	148	150	150	149	149
Total UG	13992	14125	14286	14301	14248	14224
Graduate	3058	3312	3460	3547	3596	3625
Grad. Non-Degree	367	366	366	366	366	366
Totals	*17,417*	*17,803*	*18,112*	*18,214*	*18,210*	*18,215*
	2005	**2006**	**2007**	**2008**	**2009**	**2010**
Total Proj. New Fresh.	2800	2800	2800	2800	2800	2800
Total Proj. New Transfers	750	750	800	800	800	800
Total Proj. New Trad Grad. Students	800	800	800	800	800	800
Total Proj. New Non-Degree Students	118	118	118	118	118	118
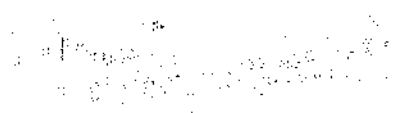
A Closer Look: State Governance Models

Introduction:

Governor Sanford advocates for the reorganization of higher education governance, asking the General Assembly to replace the current regulatory coordinating board with a consolidated governing board. Those with a vested interest in higher education should be informed of the significant changes this could require for the institutions as well as for the State.

Each state has a mechanism through which its system of higher education receives state money, proposes programs, and reports to the legislature. These systems range along a continuum from decentralized planning agencies where institutions receive money directly from the state government, to coordinating boards that may have varying regulatory authority, to consolidated governing boards where a single board manages multiple institutions at both the two- and four-year levels. Researchers and institutional administrators have stated the continuum as one of institutional autonomy versus state authority, with some arguing that only through strong individual lay boards can institutions be insulated from political intrusion and inappropriate budgetary fluctuations.

This *Closer Look* report, presented by the **Alliance**, offers more detailed information on different governance models and how some states have fared under them. It is very important to note that few states have changed their management systems since they were first created, and modifications to systems are often not captured in official legislation but in the daily workings of the organization. This paper is meant as an overview of the different types of systems, the states that utilize them, and briefly how their institutions have fared in the state budget picture.

System Structures:

Governance systems of higher education gained substantial national attention in the mid 1950's as burgeoning enrollments and expanded degree offerings caused states to question not only the level of appropriations but institutional missions, and how to best oversee this newly expanding enterprise. By the end of the decade, almost all states had a set governance structure in place that has not changed since then. These structures fall within three categories: planning agencies; coordinating boards; and consolidated governing boards.

To those unfamiliar with the myriad duties that may (or may not) fall under state governing responsibilities, much of the work is completed without headlines or legislative mandates.

However, the question arises in discussions in South Carolina as to the role of the state's governance structure in managing the performance of individual institutions and in furthering higher education's contributions to economic development.

Higher education researchers agree that while no single structure is best under all circumstances, governance is important. Leadership cannot survive in an environment that inhibits institutional collaboration and statewide synergy.

> *The key issue in governance is not whether colleges and universities are accountable, nor is it whether they can in some mystical fashion be autonomous. Rather the issue is where the line should be drawn between the campus and the state; and, most especially, how can we separate out trivial interference with essential confrontation.*[1]

Even the best system structure cannot compensate for badly designed systems or a mismatched policy environment. Collaboration between the institutions and their legislatures is imperative for any state wishing to progress and utilize their public institutions as economic development engines.

Higher education research points to three primary system types, noting that each state modifies the general categories to suit its specific needs:

Planning Agencies – Only Michigan and Delaware have planning agencies. These agencies have no organizational authority beyond voluntary planning. Michigan is unique in that the institutions have constitutional status and their governance contained therein, which would require a full constitutional amendment to alter.

Coordinating Boards – This category, currently used in South Carolina, has the most variation within the three categories. This structure utilizes a single government agency for some or all of the nine basic functions of oversight (planning, policy leadership, policy analysis, mission definition, academic program review, budgetary processes, student financial assistance, accountability systems and institutional authorization). One of the strengths of such boards is their ability to relate to many segments (institutional categories) of higher education. Another interesting strength noted in the literature is that their position between state government and the institutions allows them to identify with state government needs while removing them from campus politics.

As of 2006, 25 states have some form of coordinating board to manage higher education. Of these, 22 have regulatory authority (including South Carolina, Illinois, Texas, and New York), while the remainder (including California) have only advisory authority. Florida's recent structure change is included in the former category (they changed from a consolidated governing board to a coordinating board with regulatory authority). Community colleges may operate under the statewide board or may have an independent

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[1] Boyer, Ernest L. (1982). Control of the Campus: Essay on Governance. *AGB Reports* 24(6): pp. 4-10.

state agency. States with coordinating boards are more likely to include private institutions in their planning and reporting processes. Beyond this, however, there are differences. Coordinating boards may oversee subsystems of similar institutions or multi-campus systems of heterogeneous institutions. There is no single rule for either their scope or their membership.

In Maryland, for example, higher education was reorganized in 1988 when the General Assembly felt that the state's institutions were too unorganized with regard to both mission and accountability. The configuration that resulted from the legislation included a merged University of Maryland System (now University System of Maryland) that consisted of five former University campuses and six former state college campuses. It also included a separate St. Mary's College (the public liberal arts college) with its own Board of Trustees, a separate Morgan State University (an HBCU) with its own governing board, a system of 17 community colleges, each with its own governing board, and a large private sector, all presided over by a revamped state coordinating board, re-invented in a much stronger role than the previous State Board of Higher Education.[2] Problems still exist however, with individual institutions lobbying the legislature with specific regional needs. There are also arguments over the status of the University of Maryland College Park as the state's flagship institution, where it is eligible for additional funding.

In South Carolina, the Commission on Higher Education has regulatory oversight for one system (USC, which while evolving, still recognizes one senior institution with branch campuses), one academic health center, one land-grant university, seven comprehensive universities, each with its own board, and 16 technical colleges that report to a single board. The individualization has served the state well in certain aspects, with access to post-secondary education within reasonable driving distance across the state. The Commission has substantial regulatory authority through various legislative mandates, including specific accountability measures, funding parameters, approving tuition, and setting construction priorities. It is the competing power of the General Assembly, with individual institutions lobbying their specific agendas, that adds to the governance challenges in the state.

Consolidated Governing Boards – Twenty-three states have consolidated governing boards that have legal management and control responsibilities for all public four-year institutions. Nine of these states (such as South Dakota and Utah) also place community and technical colleges under the same board. Georgia's Board of Regents, for example, has full authority over 34 four-year and two-year institutions. The other 14 states have separate statewide boards for community colleges. A consolidated governing board's duties may include all or some of the following:

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[2]   Berdahl, Robert O. (1996). The quasi-privatization of a public honors college: A case study of St. Mary's College of Maryland. Paper presented at the national conference for the Association of the Study of Higher Education.

1. Directs a single entity that encompasses all institutions within the system,
2. Carries out coordinating responsibilities (such as program approval or mission changes) in addition to its responsibilities for governing institutions under its jurisdiction,
3. Has authority both to develop and to implement policy,
4. Advocates needs of the institutions to the legislature and governor,
5. Appoints, sets compensation for, and evaluates chief executives (Presidents or Chancellors),
6. Sets faculty personnel policies and usually approves tenure, and
7. Has authority to allocate and reallocate resources between and among the institutions within its jurisdiction.[3]

There are difficulties with the governing board system as well. In the instances where individual institutional boards remain, those individual boards may be reduced to serving more as private institution boards do, as fund raisers and advocates for their specific school without any real authority. A state system of multiple board layers can create additional bureaucracy and makes it more difficult to implement change at the institution level. Statewide governing boards are often removed from the concerns of individual campuses, and it could be easy to assume that they become political advocates for a specific governor's policies. However, higher education research considers governing boards more closely aligned with institutions rather than state politics.

States and Their Systems:

As stated previously, most states have not changed their type of state governance since its inception. When pursing a possible change in governance, the question arises as to which system is more successful, but what is defined as "success" in one state may not be the same for another, given varying population needs and demands placed on institutions. In addition, success of a governance type cannot be easily ascertained because of the unique political structure of each state, including but not limited to 1) level of Governor's authority; 2) level of Legislative authority; 3) method utilized for appropriate money to higher education; 4) role of private higher education in state politics; and, 5) type and size of public institutions. Careful reading of legislative mandates and annual reports cannot fully disclose the working relationships that contribute to successful processes.

To demonstrate the variety of systems and relative "success," defined by changes in state appropriations, the following chart of select state system information was compiled from the 2005-06 Almanac edition of *The Chronicle of Higher Education* and Grapevine (http://coe.ilsti.edu/grapevine/50state.htm):

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[3]McGuinness, Jr., Aims C. (1999). The states and higher education. In P.G. Altbach, R.O. Berdahl, & P.J. Gumport (Eds.), *American Higher Education in the Twenty-first Century: Social, Political, and Economic Challenges* (pp. 183-215). The Johns Hopkins University Press: Baltimore, MD.

State	System Structure	# Four-Year Public Institutions	FY 2006 Higher Education Appropriations of State Tax Funds for Operating Expenses	5-year Percent Change in Allocations
Alabama	Coordinating Board	18	1.39 billion	27.7%
Arizona	Consolidate Gov. Board	5	974 million	9.1%
California	Coordinating Board	32	9.63 billion	7.9%
Colorado	Coordinating Board	14	595 million	-20.3%
Connecticut	Coordinating Board	7	827 million	17.1%
Delaware	Planning Agency	2	216 million	16.5%
Florida	Coordinating Board	11	3.3 billion	19.3%
Georgia	Consolidated Gov. Board	20	2.1 billion	13%
Illinois	Coordinating Board	12	2.6 billion	-3.8%
Kansas	Consolidated Gov. Board	9	755 million	10.5%
Kentucky	Coordinating Board	8	1.21 billion	20.5%
Maryland	Coordinating Board	14	1.25 billion	6.7%
Michigan	Planning Agency	15	2.0 billion	-9.2%
Minnesota	Consolidated Gov. Board	11	1.37 billion	1.2%
Missouri	Coordinating Board	13	856 million	-10.8%
New Jersey	Coordinating Board	14	2.03 billion	21.7%
New Mexico	Coordinating Board	6	718 million	26.3%
New York	Coordinating Board	47	4.36 billion	25.4%
North Carolina	Consolidated Gov. Board	16	2.9 billion	22%
Oklahoma	Consolidated Gov. Board	14	836 million	5.9%
South Carolina	Coordinating Board	12	767 million	-12.8%
Tennessee	Coordinating Board	10	1.12 billion	7.4%
Texas	Coordinating Board	41	5.2 billion	16.2%
Virginia	Coordinating Board	15	1.59 billion	-2.2%

After reviewing the data in the above chart, it is difficult to determine a correlation between the system structure, the size of the state system, and the appropriation trends. Those appropriations are primarily dependent on legislators and the state's priorities, including movements to decrease or change tax rules.

The excellence of an institution does not appear to be dependent on the state; rather it is a reputation built over decades combined with historical access to significant federal dollars. Those institutions repeatedly recognized by groups such as *U.S. News & World Report* built their research base during the Cold War, when federal research meant university research. Today, even though large universities are called upon to serve as economic engines for their states, there is only increasing competition for limited research funds. The federal government is no longer willing to build complex research facilities, leaving states and their institutions to determine the balance between state investment, institutional goals, and public interest.

Conclusion:

Higher education represents one of the most complex enterprise areas for state government. The institutions face many challenges in the coming years, including state appropriations, tuition levels, workforce training, increasing deferred maintenance levels, and building a more seamless K-16 education culture.

In order to be effective, state systems of higher education must be structured to be compatible with the state's priorities and the environment in which they function. In South Carolina, for example, the variance in educational demands across the state has been well served by individual boards able to focus on specific needs. The regionalism in South Carolina is vital in a state where access to higher education should be a state priority, not just an institutional issue. Issues and confrontations related to funding would not be resolved with a structural change; low state funding and increasing tuitions are a result of systemic state government issues. The policy environment in South Carolina presents challenges in balancing future needs and established priorities.

> *Human beings often triumph over poor policies and bad structures.*
> *This human element can and does sometimes transcend seemingly*
> *impossible constraints of policy and structure as personal ability*
> *and person relations make a system work better than seems*
> *possible.*[4]

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[4] Kerr, Clark (1988). A critical age in the university world: Accumulated heritage versus modern imperatives. *European Journal of Education,* 22(2), p. 185.