



Policy Brief

Governance

Education Commission
of the States

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Governance and Coordination: Definitions and Distinctions

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Broadly speaking, the term "governance" refers to the allocation of decision authority (who gets to make what decisions) within a state or organization. Within higher education, *governance* refers primarily to the allocation of decision authority within colleges and universities between the governing board, the president and key governing entities. *Coordination* commonly refers to the allocation of decision authority regarding certain governmental functions between the state and a state coordinating entity. An understanding the difference between the roles and functions of *governing boards* and *coordinating boards* is fundamental to an understanding the differences among the structures in the 50 states, the District of Columbia and Puerto Rico. Some structures are established to *govern institutions* while others are established to *coordinate the state postsecondary education system or sectors* (e.g., a system of locally governed community colleges).

Public College and University Governing Boards

The term *governance* has a particular meaning when applied to the authority and responsibility of governing boards of public colleges and universities.

All states assign responsibility for governing public colleges and universities to one or more boards.¹ These boards are most often composed of a majority of lay citizens appointed by the governor to represent the public interest and ensure the proper and effective management of an institution or system of institutions.. The names of these boards vary, but the most common names are "board of trustees" and "board of regents." The responsibilities of these boards are similar to those of boards of directors for nonprofit corporations. Public institution governing boards were modeled after the lay boards of private colleges and universities. Private college boards usually govern a single institution. In contrast, public institution boards most often govern several public institutions. In fact, 65% of the students in American public postsecondary education attend institutions whose governing boards cover multiple campuses.

Common responsibilities of public governing boards are³:

- Governing a single corporate entity, including all the rights and responsibilities of that corporation as defined by state law and, if a system board, encompassing all institutions within a system. Individual institutions within the board's jurisdiction usually do not have separate corporate status, although governing boards may have subsidiary corporations for hospitals, foundations or other purposes.

1. ¹ There is a strong historical and legal tradition in American postsecondary education of institutional autonomy – a high degree of freedom from external intervention and control. Institutional autonomy is a *relative*, not an *absolute* concept, to be tempered by the broader interests of the public and society.¹ A basic responsibility of governing boards is to oversee the delicate balance between institutional autonomy and public accountability. R.O. Berdahl and T.R. McConnell, "Autonomy and Accountability: Who Controls Academe?" *Higher Education and American Society*, pp. 70-71.; Association of Governing Boards of Universities and Colleges (AGB) (1998), *Bridging the Gap Between State Government and Public Higher Education*, Washington, D.C.: AGB, pp. 30-31.

- Appointing, setting the compensation for, and evaluating both system and institutional chief executives.
- Strategic planning, budgeting (operating and capital), and allocating resources between and among the institutions within the board's jurisdiction.
- Ensuring public accountability for effective and efficient use of resources to achieve institutional missions.
- Maintaining the institution's assets (human, programmatic and physical) and ensuring alignment of these assets with institutional mission.
- Developing and implementing policy on a wide range of institutional concerns (e.g., academic and student affairs policies) without approval of external agencies or authorities.
- Awarding academic degrees.
- Advocating for the needs of the institutions under the board's jurisdiction to the state coordinating board, the legislature and the governor.
- Establishing faculty and other personnel policies, including approving awarding of tenure and serving as the final point of appeal on personnel grievances.

There are a number of ways to categorize public governing boards, but the approach suggested by Clark Kerr and Marian Gade in *The Guardians: Boards of Trustees of American Colleges and Universities* is particularly useful. They categorize public governing boards as follows:

- **Consolidated governance systems.** One board governs all public two- and four-year institutions, or one board covers all four-year campuses with separate arrangements for two-year institutions.
- **Segmental systems.** Separate boards govern distinct types of campuses, e.g., research universities, comprehensive colleges and universities, community colleges. This may include separate boards for postsecondary technical institutes or colleges and adult education, as well.
- **Campus-level boards.** Governing boards have full, "autonomous" authority over a single campus that is not part of a consolidated governing board or multi-campus system. Several states combine consolidated governance and campus-level boards. For example, in North Carolina and Utah, campus-level boards have authority delegated by the central board and can make some decisions on their own. The State University of New York, the University of Maine System and the University System of Maryland also have campus boards, though they are largely advisory.

State and System Coordinating Boards

Twenty-three states have established statewide *coordinating* boards responsible for coordination the state's postsecondary education system. Common names for these boards are: "State Coordinating Board for Higher Education," or "State Commission for Higher Education." However, several have names that are similar to governing boards such as the Louisiana Board of Regents and the Connecticut Board of Governors, both of which are coordinating boards. Coordinating boards fulfill their responsibilities through functions such as strategic planning and policy leadership, establishing institutional missions, reviewing and approving academic programs, developing finance policy, making budget recommendations, and administering state student assistance programs). Some coordinating boards have the responsibility for only a single sector such as locally governed community colleges.

The important point is that coordinating boards do *not* govern institutions, in the sense defined above (e.g., appoint institutional chief executives or set faculty personnel policies). In states with coordinating boards, the *governance* of institutions is the responsibility of two or more *governing boards* for systems and/or individual institutions. Specifically, coordinating boards:

- Appoint, set compensation for and evaluate *only* the agency executive officer and staff, but not the institutional chief executives. In several states, the governor is the final appointing authority for the agency executive, but usually with recommendations from the coordinating board.
- Do *not* have corporate status independent of state government.

- Focus more on *state and system needs and priorities* than on advocating the interests of a particular institution or system of institutions.
- Plan primarily for the *state postsecondary education system as a whole*. In most coordinating board states, this planning includes both public and private institutions, and in some states, for-profit institutions.
- May or may not review and make recommendations on budgets for the state system as a whole rather than only for one part of that system. A few coordinating agencies recommend consolidated budgets for the whole public system. Others recommend a formula or other methodology for allocating state appropriations among institutions and still others simply make recommendations to the governor or legislature on individual institutional or segmental budgets. Most coordinating boards have responsibility to implement budget policy only for funds appropriated specifically to the agency for operations, for carrying out special initiatives, or for rewarding institutional performance..
- May or may not review or approve proposals for new academic programs and may or may not have authority to require institutions to review existing programs.
- *Are not* involved directly in system and institutional internal management such as in setting or carrying out human resource or personnel policies, except to carry out legislative mandates for studies of issues such academic program duplication,

ENDNOTES

1. D. Bruce Johnstone, former chancellor of the State University of New York, defines the core functions of systems as: (1) develop the missions of the system as a whole and of the constituent campuses; (2) appoint and evaluate campus chief executives and dismiss them, if necessary; (3) act as an advocate to the member campuses on behalf of the public and to the governor, legislature and other leaders on behalf of postsecondary education; (4) allocate resources and services among campuses or recommend their allocation; (5) act as a buffer and as a liaison between political interests and institutions; (6) referee disputes and foster collaboration among campuses; (7) oversee the use of financial assets and other resources; and (8) coordinate such common services as legal counsel, telecommunications, financial audits and institutional research. D. Bruce Johnstone (1993), *Public Multicampus College and University Systems: Structures, Functions and Rationale*, Washington, D.C.: National Association of System Heads.

Classification of State Higher Education Structures

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Figure A displays all states, the District of Columbia and Puerto Rico according to three broad categories: states with consolidated governing boards, states with coordinating boards, and states with higher education service agencies. The figure organizes states according to the extent of the formal authority of the board or agency for academic policy and budget. Reading from left to right, the boards/agencies in the states on the left have more formal authority in these policy domains than those to the right. Consolidated governing boards have broad authority for both academic policy and budget related to the institutions under their authority. The states with coordinating boards/agencies are divided according to those with regulatory boards/agencies with program approval authority and those with advisory board/agencies with only program review authority. Within these two categories, the states are grouped according to the board/agency's authority in the budget process.

- Twenty-four (24) states plus the District of Columbia and Puerto Rico are consolidated governing board states. These states organize all public higher education under one or two statewide governing boards. None of these states has established a statewide coordinating agency with significant academic policy or budgetary authority between the governing board and state government. Nine of these states organize all public higher education under a single governing board. The other 12 states have two boards: most often a board for universities and a board for community colleges and/or technical colleges. In several of these states, the second board is a coordinating board for community and/or technical colleges.
- Twenty-three (23) states are coordinating board/agency states.
 - Twenty-two (21) of these states have regulatory coordinating boards with academic program approval authority. Fourteen of these boards have significant budgetary authority, six have limited budget authority, and one has no role in the budgetary process.
 - Two (2) states have advisory boards with no program approval authority and only limited program review authority. The New Mexico Department of Higher Education has important authority in the budget process whereas the authority of the California Postsecondary Commission in the budget process is limited.
- One (1) state (Michigan) has no statutory statewide higher education agency. The Michigan State Board of Education has Constitutional authority for overall planning and coordination of the state's education system, but because of the Constitutional autonomy of the state universities and local governance of community colleges, the State Board does not function as a statewide higher education coordinating agency.

State Board is the licensing authority for non-degree vocational-technical education and proprietary institutions and approves charters for private degree-granting

- Five (5) states (Alaska, Delaware, Minnesota, New Hampshire and Pennsylvania) and the District of Columbia and Puerto Rico have state higher education service agencies that carry out functions such as administration of student assistance, licensure and approval of non-public degree granting institutions, administration of federal and state categorical programs, and data collection and analysis. These agencies generally do not have significant roles in either program approval/review or the budget process for the higher education system as a whole. The agencies in Alaska, Minnesota, and New Hampshire as well as the District of Columbia and Puerto Rico are in states with one or two statewide consolidated governing boards.
- Five states (5) (Florida, Idaho, Michigan, New York and Pennsylvania) have state boards with formal legal authority for all levels of education (early childhood education through higher education). Nevertheless, as illustrated in Figure A, the formal authority of these boards for higher education varies significantly. Only in Idaho does the state board have governing authority for the state higher education institutions. In Florida, New York and Pennsylvania, the state boards have authority related to higher education, but the authority is for coordination, not governance. In New York, the Board of Regents has no authority in the budget process. In Pennsylvania, the authority related to higher education of the State Board of Education and Secretary of Education is limited and the Pennsylvania Department of Education functions more as a service/regulatory agency than a statewide coordinating agency. As indicated above, the Michigan State Board of Education does not function as a statewide coordinating agency for higher education and has only limited authority related to higher education.

Figure A. Authority of State Boards and Agencies of Higher Education, 2010

| States with Statewide Consolidated Governing Boards and No Coordinating Board (except as noted *) | | Regulatory Coordinating Boards and Agencies Boards with Program Approval Authority | | | Advisory Boards/Agency Boards with No Program Approval Authority – Only Authority to Review and make Recommendations on Academic Programs | | Higher Education Service Agencies | No State Higher Education Board or Agency |
|--|--|---|--|--------------------------|---|--------------------------------------|---|---|
| One Board for All Public Institutions | Two Boards Encompassing All Public Institutions | Consolidated or Aggregated Budget (f) | Budget Review and Recommendation (f) | No Statutory Budget Role | Consolidated or Aggregated Budget (f) | Budget Review and Recommendation (f) | No Statutory Budget or Program Review or Approval Roles | |
| Alaska (b)* Hawaii Idaho (a) Kansas (d) Montana Nevada North Dakota Rhode Island South Dakota DC (b)* Puerto Rico (b)* | Arizona (m) Florida (a) (l) Georgia (n) Iowa (c) Maine (n) (e) Massachusetts (j) Minnesota (b)* Mississippi (c) New Hampshire (b)(n)* North Carolina (n) Oregon (c) Utah (n) Vermont (k) Wisconsin (n) Wyoming (c) | Alabama Arkansas Colorado Illinois Indiana Kentucky Louisiana Maryland Missouri Ohio Oklahoma South Carolina Tennessee West Virginia (p) | Connecticut Nebraska New Jersey Texas Virginia Washington | New York (a) | New Mexico (h) | California (o) | Alaska (b)* Delaware Minnesota (b)* New Hampshire (b)(c)* Pennsylvania (a) (i) DC (b)* Puerto Rico (b)* | Michigan (a)(g) |
| States = 8 plus 1*, and (DC and Puerto Rico) | States = 13, plus 2* (MN and NH) | States = 14 | States = 6 | States = 1 | States = 2 | | States=2, plus 3* and DC and Puerto Rico | States=1 |

NOTES: States listed in more than one column are noted with an asterisk "*" with the total number of duplicates at the bottom of the column.

(a) State board/agency responsible for all levels of education (P/K-16/20). State boards/agencies in Florida, New York and Pennsylvania have coordinating, not governing authority for public institutions. State board in Idaho has governing authority.

- (b) State has both consolidated governing board(s) and coordinating or planning/service agency.
- (c) One of the two boards is a statewide coordinating body for community colleges and/or postsecondary technical institutions.
- (d) Kansas Board of Regents is a consolidated governing board for universities and coordinating board for locally governed community colleges and Washburn University.
- (e) Maine Maritime Academy is the only public institution with its own governing board outside a system.
- (f) Several states, e.g., Texas Coordinating Board for Higher Education) develop the formulae for allocation of state appropriations and/or make recommendations for overall system funding but do not review and/or make recommendations on individual institutional budgets.
- (g) Michigan State Board of Education has Constitutional authority for overall planning and coordination of the state's education system, but because of the Constitutional autonomy of the state universities and local governance of community colleges, the State Board does not function as a statewide higher education coordinating agency. State Board is the licensing authority for non-degree vocational-technical education and approves charters for private degree-granting institutions within the state.
- (h) The New Mexico entity is a cabinet-level department headed by a Secretary of Higher Education. The department has authority to review, adjust and approve public university budgets prior to submission to the department of finance and administration and limited authority primarily to review and study but not to take formal action to approve academic programs or other institutional decisions.
- (i) Pennsylvania State Board of Education's program approval authority is limited to specific areas (e.g., teacher education). Board also must approve new campuses or sites. Department of Education has budget responsibility for community colleges and regulatory responsibilities regarding for-profit institutions.
- (j) State-level governing boards in Massachusetts include the Board of Trustees, University of Massachusetts and the Board of Higher Education for other public institutions including community colleges. The latter board is also the coordinating board for whole public system.
- (k) Vermont has no statutory planning/coordinating entity. Vermont Higher Education Council is voluntary.
- (l) Florida State Board of Education has responsibility for policy direction and coordination of state's education system, P-20. Constitutional amendment passed in November 2002 created a Board of Governors for Universities, but the State Board of Education retains overall responsibility for policy coordination for all education. State Board of Education, through a chancellor for community colleges, coordinates locally governed community colleges.
- (m) State law enacted in 2002 eliminated most powers of the Arizona State Board of Directors of Community Colleges except for data collection and preparing an annual report.
- (n) The two boards in these states include a statewide governing board for universities and a statewide governing board for community colleges and/or technical institutions.
- (o) Authority of the California Postsecondary Education Commission related to budgets is limited response to requests from the Governor and General Assembly for review and recommendations of budget requests of the segments (Community Colleges, California State University and the University of California)
- (p) West Virginia has two state-level coordinating boards: the Higher Education Policy Commission for four-year institutions and the Council for Community and Technical Education for community and technical colleges. The council and commission share coordinating responsibilities including developing a public policy agenda that is aligned with state goals and objectives and the role and responsibilities of each coordinating board.

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