

HIGHER EDUCATION COMMITTEE - STUDY OF HIGHER EDUCATION GOVERNANCE

STUDY BACKGROUND

Pursuant to 2015 House Concurrent Resolution No. 3046, the interim Higher Education Committee was assigned a study of the governance of the North Dakota University System. In fulfilling this assignment, the committee reviewed the history of the State Board of Higher Education, revisited the findings of previous studies of higher education governance in the state, and received presentations on practices in governance as it relates to higher education in the United States.

This paper is a brief summary of the findings of the study including selected statements from the North Dakota Constitution as it relates to higher education. The paper also contains a national best practices overview that relates to the North Dakota higher education system. The interim Higher Education Committee received several presentations relating to higher education governance and held several discussions regarding governance. Documents from the presentations, and meeting minutes containing committee discussion, are available from the Legislative Council office.

GOVERNANCE IS TO ENSURE COLLEGES AND UNIVERSITIES SERVE THE PUBLIC INTEREST

- Larry Isaak

OVERVIEW

North Dakota governance of Higher Education, based on the Principles of Constitutional Autonomy, is defined as a "moderate-limited" level of control. Higher Education is:

- Subject to judicial review;
- Subject to legislative policy and appropriations power; and
- Empowered with a significant degree of independent control over many higher education functions.

North Dakota utilizes a consolidated governing board model similar to that employed by 22 other states.

- The state has one board overseeing all 11 institutions; and
- The board has broad authority over finances, personnel, property, and programs.

MISSION

Constitution:

- Key concepts include:
 - The State Board of Higher Education shall provide for a unified higher education system;
 - The State Board of Higher Education has full authority over institutions; and
 - The State Board of Higher Education has the authority to organize or reorganize the work of each institution.

Review of findings from past and current studies of the University System:

- Findings
 - Policy makers are frustrated with no clear agenda and no clear spokesperson;
 - The Governor and the Legislature call for a focused policy agenda;
 - North Dakota needs a "true state system;" and
 - The system should feature diverse institutions working in concert to serve the public agenda.

Best practices identified in the Higher Education Committee study:

1. The State Board of Higher Education should define the core values of the system and lead the efforts to support them. Core values include:
 - Student centered - Access, retention, and completion.
 - Excellence - Board expectations and definition.
 - Efficient - Affordability.
2. Collaboration should be an operational imperative.
 - Program delivery.
 - Administrative functions.
 - Specific workforce development initiatives.
3. Mission creep leads to duplication and unnecessary cost.
 - Affordability and quality are negatively affected.
 - The board is responsible for reversing instances of duplication.

MONEY

Constitution:

- The State Board of Higher Education has authority over the appropriations provided by the legislature, but cannot divert money specifically appropriated to an institution.

Review of findings from past and current studies of the University System:

- Findings:
 - The basis of legislative appropriations to institutions has changed from a student headcount basis to a credits completed basis.
 - Legislative responsibilities include:
 - Development of a funding formula;
 - Determining operational appropriations amount; and
 - Providing capital improvements amount.
 - State Board of Higher Education responsibilities include:
 - Establishing parameters for the levels of tuition and required fees;
 - Coordinating and approving budget requests to Legislature; and
 - Developing capital Improvements priorities.

- Campus responsibilities include budgeting and financing:
 - Auxiliary operations such as housing and dining services;
 - Contracts for services, including research; and
 - Grants, including research.

Best practices identified in the Higher Education Committee study:

1. Affordability is a key challenge that must be resolved.
2. Expenditures can meet audit standards; that does not mean they are essential.
 - The State Board of Higher Education is responsible for an oversight process that ensures the best use of revenues.
3. Systemwide facility master planning is essential.
 - Deferred maintenance should be a priority.
 - Emerging online learning opportunities influence the amount and type of space needed.
 - Boards are focusing on low space utilization rates of existing facilities at campuses.
 - Processes for the decommissioning of outdated and underused facilities should be developed by the State Board of Higher Education.

MANAGEMENT

Constitution:

- The State Board of Higher Education has full authority to establish policies and procedures that guide the operations of the system and the individual institutions.

Review of findings from past and current studies of the University System:

- Findings
 - A shared vision is needed;
 - Leadership role clarification is an essential responsibility of the board; and
 - Planning is a vital function of the State Board of Higher Education.

Best practices identified in the Higher Education Committee study:

1. Policies that define the roles of personnel are critical for the operations of the system and each institution.
 - Presidents report to the Chancellor.
 - Board hires/fires presidents with Chancellor provided recommendations for guidance.
 - Presidents manage the institutions guided by board policies and Chancellor supervision.
 - Presidents' goal setting and evaluations process is led by the Chancellor in accordance with State Board of Higher Education policies.

2. The State Board of Higher Education is responsible for establishing expectations, setting specific goals, and holding the chancellor and the presidents responsible for meeting those standards (Tone at the top).
3. The board is responsible for coordinating programs delivered at the institutions including the course delivery mediums.
4. Information regarding constituency needs and satisfaction levels should be sought by the University System.

MEASUREMENT

Constitution:

- The State Board of Higher Education is responsible for the efficient and effective administration of institutions under its control.

Review of findings from past and current studies of the University System:

- The State Board of Higher Education establishes system-wide measurement expectations.
 - What is to be measured?
 - Who will do the measuring?
 - When will it occur?
 - How will it be done?
- Institution, Chancellor, and President goals and measures can be established in addition to the board's measurement expectations.
- The University System has excellent technology infrastructure already in place and it can be used as a vehicle to facilitate an ongoing culture of measuring student success and institutional efficiency.

Best practices identified in the Higher Education Committee study:

1. The State Board of Higher Education must determine the priorities of the system and for each institution.
2. Measurement results should be useful for decision making as well as providing the basis for public information initiatives.

MONITORING

Constitution:

- The State Board of Higher Education is responsible for the efficient and effective administration of institutions under its control.

Review of findings from past and current studies of the University System:

- The State Board of Higher Education is responsible for developing policies and procedures that support system-wide monitoring for the purposes of compliance, early detection of potential

problems, effective program performance, and general efficiency. Examples of monitoring practices include:

- Progress on major policy initiatives;
 - Fiscal practices; ex. Audits, financial ratios;
 - Activities selected for measurement;
 - Mission needs; ex. Teacher shortages, Bakken University;
 - Student success; and
 - Research activities.
- The system office has designed dashboards that are valuable for efficient monitoring of various functions while also being available for public review.

Best practices identified in the Higher Education Committee study:

1. Additional monitoring mechanisms should be developed for the purpose of providing insight into the effectiveness of colleges and departments at each institution.
2. Effective monitoring includes the willingness to confront instances of poor performance or noncompliance. The board develops policies and procedures to address these issues.