

# Accountability: Challenges for Higher Education

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As the century ends, policymakers expect colleges to attain more, costly, sometimes competing goals. Just to name a few: enrolling a more diverse student population, ensuring high academic standards and adequate job market preparation for students, and producing more "relevant" research. But the same policymakers provided little real growth in funding in the last decade. It appears likely that demands on colleges and universities will continue to outstrip growth in resources—a recipe for trouble in an economic downturn.<sup>1</sup>

Citizens expect publicly supported institutions to meet increased demands: Higher education, health care, and elementary-secondary education are called to account for processes, expenditures, and, increasingly, accomplishments. This chapter explores the growing interest of students, taxpayers, and elected officials in accountability, analyzes current assessment measures and levers, and places this trend in the context of the American tradition of *democratic accountability*. The essay then offers a realistic, productive alternative to current notions of accountability—one that better complements the traditional American value of academic autonomy. We focus on state-university relationships since states provide the key government funds and are nominal "owners" of most public institutions.<sup>2</sup>

## ACCOUNTABILITY DEMANDS: ORIGINS

Economics, politics, administrator and faculty actions, and demographics help to explain why a gradual increase in government scrutiny of higher education, beginning in the 1940s, accelerated in the past decade.

Private sector management ideas permeated the public sector during the past decade.<sup>3</sup> Rapid technological change and globalization led to corporate downsizing and to closer attention to costs. This trend led to greater scrutiny of one key cost: tax-supported public expenditures, including public higher education. Business leaders, noting that pain accompanied corporate downsizing, asked universities likewise to "streamline their production processes." Seeing education as the key to competitiveness,<sup>4</sup> these leaders also asked universities to pay greater attention to outcomes, including quality control and "customer"—student and employer—satisfaction. Much attention focused on public colleges, but inde-

pendents, which continually interacted with the federal and state governments, donors, students and their families, and business-oriented trustees, also came in for scrutiny.

Politically, a mid-decade tax revolt and Republican electoral ascendancy followed extreme financial pressures on states during the recession of the early 1990s. Policymakers, looking to reduce spending, had little discretion over most major state-supported functions—elementary-secondary education, Medicaid, corrections, and welfare, listed in descending order of funding—since federal or judicial mandates and caseload demands largely determined these allocations.<sup>5</sup> The resulting squeeze on public spending led to a closer look at higher education, which had special vulnerabilities. Higher education “caseloads” (enrollments) appeared discretionary and postponable. Increasing tuition and pursuing grants and donations, officials added, could offset budget cuts. State policymakers decreased higher education appropriations during the recession, and fiscal conservatism weakened the funding rebound.<sup>6</sup>

Worse, students and parents objected when higher education increased tuition, as suggested by state officials. These citizens wanted assured access to an economically essential service, but could not afford tuition increases that exceeded the rates of price inflation and of middle- and working-class income gains.<sup>7</sup> Instead, many taxpayers joined state policymakers in pressing colleges and universities to hold down tuition by becoming more efficient.<sup>8</sup>

Some federal officials, beginning with William Bennett, Secretary of Education in the Reagan Administration, leveled accusations of greedy price-gouging at colleges and universities.<sup>9</sup> In the 1990s, some representatives proposed linking higher education price controls to federal student aid.<sup>10</sup> Instead, Congress appointed a commission to study college costs and prices. Higher education representation and moderated tuition increases led to mild commission recommendations: voluntary institutional restraint and better information for students and parents. Congress accepted the report, though not without grumbling, but escalating tuition hikes could rekindle federal pressure for price controls.<sup>11</sup>

Bennett’s and Congressional polemics were part of a broader pattern of political criti-

cism. Tensions between academic norms and political populism were pronounced in the McCarthy era and during the Vietnam War, but American politicians historically did not become much involved in academic operations, despite growing size and costs.<sup>12</sup> Now, though, a bookshelf of *cultural* critiques of the values and modes of operation of higher education provided a rationale for intervention. Critics, including some insiders, excoriated universities for weak academic standards; embracing multiculturalism in the academic canon and in “politically correct” discourse; giving preference to minority students with allegedly dubious qualifications in the name of affirmative action; neglecting undergraduates for esoteric research; producing too many Ph.D.’s; tolerating administrative bloat; and permitting light, “unbalanced” (read graduate), and unmonitored faculty workloads.<sup>13</sup> Negative press reports strengthened the impact of these cultural critiques. Recent scandals included abuses in charging costs to government grants, institutional end runs around peer review processes in pursuit of research and capital grants, and misconduct by scientists in reporting research results, including conflicts of interest in conducting industry-supported research.

Finally, demographics heightened policymaker concerns. The arrival of the “baby boom echo” generation of college students increased enrollment pressures, especially in the east and west. Policymakers projected a further 80 percent increase in high school graduates in Nevada, 50 percent increases in populous California and Florida, more than 20 percent increases in 16 states, and at least 10 percent gains in 15 more.<sup>14</sup> These projections, if they translated into college enrollments, meant high incremental expansion costs, absent drastic efficiency measures, since many high-growth states were at or near enrollment capacity.

Not everyone bought into every criticism. But many taxpaying citizens and firms concerned about efficiency, effectiveness, demographics, and politics noted a disjuncture between these values and apparent academic priorities. Their proposed remedy: closer public monitoring of institutions, even at the price of reduced academic autonomy from government.

## HIGHER EDUCATION ACCOUNTABILITY: HISTORICAL EXPERIENCE

Providing academic accountability is difficult, especially in a democracy with high aspirations for higher education, strong populist tendencies, and constrained public resources. Balancing accountability with academic autonomy—a key desideratum—requires attention to changing circumstances and expectations. Maintaining balance may mean periodically redefined terms, rewritten contracts, and reworked institutional arrangements. To appreciate present conditions, we must examine the American experience with public governance of higher education.

Colleges and universities are creatures of the state that chartered them and, for public institutions, of the taxpayers. Colleges received provincial or state charters and, episodically, funds for endowments and buildings. Many colleges routinely placed legislative appointees on their boards, though before the Civil War elected officials were less likely to call religiously oriented colleges to account than were churchmen, concerned about doctrinal rectitude or student behavior.<sup>15</sup> Conditions changed after 1819 when New Hampshire sought to enforce substantial changes at Dartmouth College. Dartmouth's trustees resisted; a U.S. Supreme Court decision affirmed the college's autonomy from the state under its state charter. After *Dartmouth*, schools like Dartmouth, Harvard, and the College of New Jersey (Princeton), though chartered and originally supported by the state, evolved toward "private" status.<sup>16</sup> The states created "public" colleges and universities, subject to clear state controls, particularly after the 1862 Morrill Act granted land to the states for expanding higher education opportunities.

Most states were not deeply involved in academic affairs at the outset. State officials let academics decide what to teach and study, who was qualified to teach and to enroll, how many courses to require for a degree, and how to organize the academic enterprise. States did not give institutions all the money they sought. But the shortfalls constrained their rate of growth; they were not excuses for state inroads into such internal academic decisions as reducing or eliminating individual programs or

mandating heavier faculty teaching assignments to reduce costs.<sup>17</sup>

Why did legislators and governors leave internal affairs so much to the colleges and universities? Political leaders were often in awe of highly educated men, proud of their creations, and anxious to see academic greatness—at least as much greatness as possessed by colleges in neighboring states. Seeing colleges and universities as engines of economic and social development, most officials eschewed sustained oversight or regulation, a role for which state governments had little capacity anyway. Limited interventions in academic affairs might include aiding admission of a well-connected student or pushing creation of a new law or medical school.

Some leaders understood the dangers of political interference: Academic freedom does not exist securely, absent institutional autonomy from government. States expected land-grant colleges to serve public needs in agriculture and "practical arts" as called for by the Morrill Act. But beyond this broad mission, universities needed latitude to be first-rate intellectually and to be a "marketplace of ideas." European influences, particularly from the emerging German research-oriented universities, strengthened domestic notions of academic freedom and institutional autonomy.<sup>18</sup> Some states recognized university autonomy in their constitutions—a move, some historians suggest, that contributed to the distinction of the University of California and the University of Michigan.<sup>19</sup> Constitutional autonomy set an important standard, though many other public institutions endured more detailed direction.

### ROLE OF TRUSTEES

State leaders also kept distant from their academic creations out of respect for their lay boards of trustees. Appointing leading non-academics to govern academic institutions—a practice at variance with European faculty guild-like governance traditions—dates to the colonial era. Before recognition of the public-private distinction, legislators and legislative appointees sat with churchmen on many American college boards; often these citizens had initially formed the college and sought its charter from the colony or state.<sup>20</sup> After *Dartmouth*, private boards included few legislative

appointees. Public boards might include gubernatorial and legislative appointees, or might be elected by the state citizenry.<sup>21</sup> Thus direct or indirect elections helped to ensure academic accountability to lay judgment and the public will. By virtue of their state charters and their tendency to appoint “responsible” leading citizens to their boards and administrative offices, private colleges, too, maintained some public accountability. Board appointments and governance arrangements at private colleges were often models for the public academic sector.<sup>22</sup>

Lay governing boards often provided benevolent, nonintrusive oversight, offered political and fundraising support, looked after the “business” side of the institutions (often an area of member expertise), and hired and supervised presidents. Academic boards delegated authority to the president, the school’s chief academic officer and the faculty liaison, just as corporate boards of directors gave considerable discretion to their chief executives. Academic boards were more removed from the administration than many corporate boards; conversely, college presidents were less likely to influence board appointments, and senior academic administrators did not normally sit on lay boards.

This pattern changed in recent years.<sup>23</sup> Boards—criticized for pliancy and for unwillingness to ask difficult questions—focused on the intersection of academic and fiscal policy. Are proposed and existing programs necessary? Should tenure be rethought to ensure “flexibility” in an era of limited funds and rapid change? Increased board interest in efficiency and performance indicators was not surprising, since many trustees come from businesses that used these concepts.<sup>24</sup>

Beyond this “natural” evolution, some governors appointed ideological allies to boards who pushed for drastic internal restructuring, cost-cutting, and simplistic quantification of outcomes.<sup>25</sup> Aggressive demands for more “efficient” academic management by politicized trustees may threaten academic freedom, and may circumscribe the role of the faculty in traditional forms of academic organization, personnel and curriculum decision-making, and resource allocation.<sup>26</sup>

Most states have not experienced this scenario, but lay boards are less deferential to academe and are less robust defenders of aca-

democratic autonomy than in the past. Some trustees wish to transfer their business experience to academic governance; others may feel, or be pressed to feel, loyalty to the political and ideological agendas of the elected officials who appointed them. Yet others see education as “too important to be left to educators,” whom they sometimes characterize as self-serving, complacent, and unresponsive to current realities.

## STATE HIGHER EDUCATION BOARDS

After World War II, public spending grew along with the increased demand for higher education. State leaders responded by forming statewide citizen higher education boards to rationalize poorly controlled postsecondary expansion occurring under loose legislative supervision.<sup>27</sup> Policymakers devised two major forms of state-level governance:

- *coordinating* boards, for instance, in California, Missouri, and Tennessee, that mesh the work of separate institutions, usually including independents, or of multi-campus systems. These boards have few formal powers beyond data compilation, planning and analysis, and persuasion; and
- *governing or consolidated* boards with line management authority over all public institutions—a “super” board of trustees, as in North Carolina and Wisconsin.<sup>28</sup>

The governor usually appoints state board members; these appointees are not affiliated with the institutions they govern. An influential citizen usually chairs the board. As with campus boards, citizens seeking state board appointments are likely to have an interest in, and knowledge of, the enterprise—board members are more often supporters than critics of higher education. A usually influential staff serves the board. Its senior members normally possess advanced degrees and academic experience. Staff influence, filtered through the citizen board, tends to impart more rational planning, analysis, and continuity to state higher education policymaking than would direct legislative supervision, while providing expert perspectives independent of institutional administrations. A professional staff is also less prone to troublesome micro-

management that could threaten managerial efficiency and academic freedom.

Board effectiveness and efficiency varies in coordinating and rationalizing campus work and in providing accountability. But most boards buffer colleges from the unfiltered scrutiny—and the potential for politically or ideologically motivated interference—of the legislature, governor, and state budget officials. Boards and their staffs safeguard autonomy and help to ensure accountability to the legislature and citizenry.

Long seen as institution-dominated—some originated as coordinating bodies of institutional representatives—these boards bear heavy responsibilities, broker conflicting institutional and state expectations, and possess limited resources save for their analytical capacities and persuasive abilities. A determined governor or a legislative majority has the power, rarely used until recently, to turn a board by the power of appointment, control over its budget, or by threatening its existence. Of late, state boards have been more willing to enforce business like accountability standards on institutions. Still, academics are likely to have more influence where the state board enforces accountability than in states where elected officials dominate policymaking more directly.<sup>29</sup>

To sum up: States historically established several buffers to filter the agendas of elected officials. State tendencies toward intervention in higher education policy have of late replaced reticence, along with the growing economic and social importance of higher education, increasing state government capacity for data collection and analysis, and decreasing deference to, or trust in, the learned souls of the academy. This shift in attitudes, gradual at first, picked up steam in the 1960s and again in the last decade, as data processing capabilities permitted states to devise measures of efficiency and quality of performance. Pervasive public concerns and possession of trump cards by state leaders weakened the traditional structural protections for academic autonomy.

Policymakers today readily advance proposals to ensure efficiency and accountability from public higher education for its spending and its outcomes. To retain autonomy, the academic community must propose sensible, balanced indicators of efficiency, quality, responsiveness, and accountability. A new balance

between academic autonomy and accountability must recognize the realignment of political forces and priorities, if the academy is to control its destiny at all. Older values are still relevant; what's needed is new thinking about how to make them work.

## RECENT ACCOUNTABILITY INITIATIVES

The states traditionally depended on the good judgment of citizen trustees and higher education boards to monitor institutional actions in the public interest. States long linked dollars to aggregates, such as enrollments, ratios of faculty to students, and price indices for “inputs,” including staff salaries and library materials. More recently, accountability often took the form of “report cards” that provided information about institutional operations and results.<sup>30</sup>

But policymakers became convinced that reporting alone did not often enough improve performance on the reported indicators. Accountability now means a focus on both “objective” information and explicit financial incentives to complement the judgment of citizen oversight bodies. In the 1990s, many states began to link part of higher education budget allocations to performance on accountability measures; the practice is called *incentive* or *performance funding*.<sup>31</sup> Governors, the executive budget office, and the legislature could then use performance budgeting to influence institutional priorities and behavior by specifying narrow accountability measures with fiscal consequences.

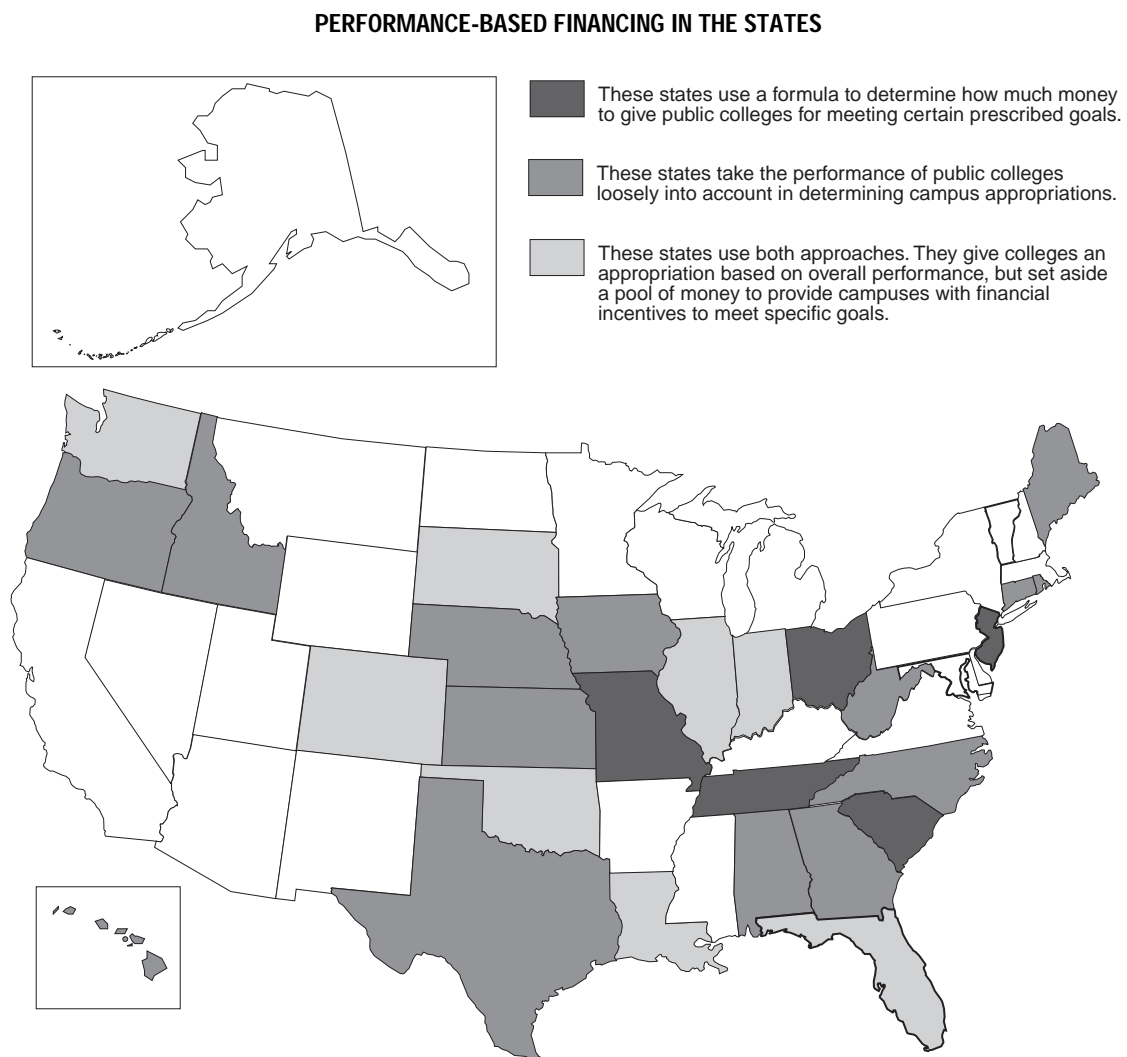
According to a 1997 survey, 37 states reported use of performance-based measures in higher education policymaking; 23 reported their use in the budgetary process.<sup>32</sup> Of the 23, eight states reported the use of “performance funding”—directly linking an institution’s “score” on performance measures to part of its allocation. Legislation mandated the use of performance measures in 23 of the 37 states, and in 16 of the 23 states using these measures in budgeting. A mid-1998 survey, using slightly different definitions, found that 26 states used performance indicators in the state budgeting process; 13 used performance funding.<sup>33</sup> Respondents in 12 of the 13 performance funding states predicted continued use of this budgeting approach; respondents in 12 more states reported the likely, or highly likely,

adoption of performance funding within the next five years (Figure 1).<sup>34</sup> Thus, performance funding may well be the leading edge of the accountability movement.

Most states using performance funding tie only a small proportion of the higher education allocation to performance measures.<sup>35</sup> The proportion ranges from less than 1 percent in many states to about 4 percent in Tennessee and perhaps a bit more in South Carolina. Survey respondents also believe this proportion

will increase.<sup>36</sup> But these percentages are misleading, since small aggregates represent a much larger fraction of the *incremental* annual funding provided to colleges and universities. Academics should pay attention, given current pressures on budgets, to another straw in the wind: In 1996, South Carolina legislators mandated that 37 performance measures drive the *entire* state allocation to higher education. Other states are watching this experiment.<sup>37</sup>

FIGURE 1



SOURCE: Chronicle of Higher Education, July 24, 1998, A26. Data are from the Public Higher Education Program of the Rockefeller Institute of Government, State University of New York.

## ACCOUNTABILITY MEASURES

We possess a useful taxonomy of measures of accountability used in states employing performance funding.<sup>38</sup> The taxonomy distinguishes *input*, *process*, *output*, and *outcome* measures.<sup>39</sup> The accountability movement, the creators of the taxonomy note, calls for allocating resources by the results or *outcomes* of activities or programs, ideally in relation to explicit goals. Key outputs include the amount of material learned by students and graduation and employment rates. Accountability advocates are less concerned with inputs—the number of students enrolled or books in the library, for example—only 13 percent of the indicators used in performance funding states, the 1998 survey found, were based on inputs. Only 18 percent were outcome measures.<sup>40</sup> Another 21 percent were *output* indicators—including numbers of graduates, sponsored research funds secured, and publication counts—measures of activities thought to be related to desirable outcomes.<sup>41</sup>

The largest share (42 percent) of the indicators used to drive state funding in the eight initial performance funding states were *process* indicators. Process measures indicate *how* an organization allocates resources, not how much is produced (output) or the social value of the output (outcomes). Many process measures are old standbys in higher education budgeting, such as faculty teaching loads, class size—average class size, proportion of large classes, and proportion of full-time faculty teaching undergraduates—and institutional collaborations. Newer process indicators include the proportion of courses or faculty using new technologies, and assessments of student learning beyond the classroom—by standardized tests, for example. Within the context of the accountability and quality improvement logic, some process indicators are seen as provisional proxies for hard-to-measure outcomes.<sup>42</sup> But other process measures are indicators of the use of “best practices,” as defined by state-level policymakers, and become ends in themselves. Most process indicators found in the surveys are efficiency-oriented, and defined narrowly—teaching load, class size, and program “duplication,” for example—though some indicators reflect bureaucratic notions of quality improvement.<sup>43</sup>

The focus on process and output measures—63 percent of all identified measures—the surveyors speculate, reflects state demands for measurable, understandable indicators for budget decision-making. This emphasis also reflects business and government thinking on quality and “best practices” where outcomes are difficult to measure. Yet, these obviously limited measures will not improve outcomes across the range of academic activities, including graduate education and research, intellectual innovation, independent social criticism, and excellence in artistic endeavors.

All of Burke’s eight performance funding states included rates of undergraduate retention or graduation; four states each used professional licensure test scores or pass rates, community college to baccalaureate sector transfers, use of technology or distance learning in teaching, and faculty teaching load measures. Three states each used 12 indicators: (excess) credits at graduation or time-to-degree; faculty-staff diversity; economically feasible college choices for a typical student; job placements after graduation; preparation levels of entering students; noninstructional costs as a share of all costs; program duplication across campuses; alumni or employer satisfaction survey results; sponsored research funds obtained; institutional involvement in teacher education; student learning measures (test scores); and workforce training and development indicators.<sup>44</sup> This list indicates how fiscal incentives hold public colleges and universities to accountability standards.

## SOURCE OF INITIATIVE AND SIGNIFICANCE

The 1997 Burke survey distinguished between states where the legislature initiated performance funding and states where the higher education agency was the prime mover.<sup>45</sup> Among states with a legislative mandate for performance funding, Burke further distinguishes between those where the legislature also prescribed all or most specific measures and those where these were largely left to the state board to negotiate with the institutions. This categorization correlates with the focus of the resulting indicator set on external accountability instead of on internal notions of improvement (the more state prescription, the more the focus on external accountability). The

categorization also correlates with the extent to which institutions were involved in the design of specific indicators (the more state prescription, the less institutional involvement). External concerns dominated the measures chosen. Of course, the external stakeholders might claim that they too are concerned with institutional improvement, but their ideas are likely to differ from those on the campus, and they are unable to participate directly in or learn from implementation efforts. The predominance of external visions indicates concretely the effect of reduced institutional autonomy.

Burke also classifies the performance indicators according to their focus on four values: *efficiency*, *quality*, *equity*, and *choice*. Efficiency was the dominant value where a state mandate prevailed; quality dominated in two of the three states lacking such a mandate. Overall, efficiency-oriented indicators dominated in the eight states, but quality indicators were second, and several indicators reflected both values.<sup>46</sup> Equity or choice indicators were relatively rare. Only in Tennessee and Missouri, with non-state-mandated performance indicators, was the traditional academic “model of excellence,” based on resources available and the scholarly standing of the faculty, prominent.<sup>47</sup> Other “models of excellence” prevailed in legislative mandate states, emphasizing returns on the state’s investment in terms of explicit state goals met, and/or emphasizing student and other clients’ satisfaction.<sup>48</sup> If the researchers’ taxonomies and interpretations are accurate and generalizable, these findings seem to reinforce the unsurprising suggestion that academics can have more influence over this wave of change by moving out in front of it than by ignoring it. They also suggest that the lack of congruence between academic values and those of state policymakers is substantial.

## IMPLEMENTATION CONSIDERATIONS

Survey evidence and research point to predictable difficulties in implementing performance funding regimes.<sup>49</sup> Comparing inter-institutional performance heightened conflict in some states. A few states have moved from divisive intra-state, inter-institutional comparisons towards measuring improvements in the performance of each institution over time or towards pre-established goals—sometimes

supplemented by peer comparisons with other states.

Other states had difficulty balancing the desire of state officials for uniform or similar measures across institutions with the diversity of institutional missions, aspirations, and circumstances. Measures reward outputs or outcomes—standardized test results or graduation rates, for example—without considering inputs differences, such as student preparation for college. Making appropriate adjustments, state policymakers found, was difficult and controversial.

Performance funding may distort incentives to institutions offering graduate education, research, or public service, since most indicators focus on undergraduate education—the priority of elected officials. Policymakers value these missions substantially less than academics, or assume academics will not under-emphasize them.

Finally, choosing indicators, success thresholds, and weights for allocating state dollars is difficult and controversial, given the high stakes and the conflicting goals and priorities of stakeholders. Most state scoring systems are relatively subjective, since policymakers cannot justify or get agreement on rigid formulas. But subjectivity brings on criticism when annual weighty judgments are rendered.

Given higher education’s still considerable political clout in most states, these implementation difficulties may undermine performance funding if reallocations go enough influential oxen and if the commitment of new state leadership wanes.<sup>50</sup> The robust economy may also reduce pressures for accountability that were driven by resource scarcity. But the tide will not soon turn dramatically; academe must aim to rebalance the principles of academic autonomy and democratic accountability.

## BALANCING AUTONOMY AND ACCOUNTABILITY

Realists must reconcile the voices of autonomy with accountability: neither business-based perspectives nor uncompromising autonomists should dominate the discourse. Any reconciliation must begin with a bedrock principle: protecting academic freedom—in the classroom, in research, and in scholarly writings.<sup>51</sup> Absent academic freedom, colleges cannot sustain intellectual diversity and vital-



ity or respond to changing social needs. To safeguard academic freedom, colleges and universities must remain free of direct political control and from intrusive micro-management.

Next, highly centralized management, say current theories, is ineffective and inefficient in rapidly changing environments, especially in the “knowledge industries,” including higher education. Workers closest to the market and production processes, these theories add, are likely to have the best information and ideas about designing and implementing innovations.<sup>52</sup> Budgets and performance indicators can guide the efforts of these workers. But the indicators should measure total spending and its outcomes, instead of counting the amount used of each input or how “producer” departments deploy resources. Process measures of resources utilization that dominate the accountability scene—faculty class hours, simple counts of uses of new technology, or cooperative ventures with other institutions—are used as proxies for harder-to-measure outcomes. Reifying “best practices” by measuring expenditures or processes may not only be off the mark, but may stultify innovation. Save for truly poor performance, policymakers best guarantee improvement by measuring and providing incentives for attaining outcomes and by limiting total costs, not by monitoring imperfect proxies prone to obsolescence.

Third, we cannot quantify all the work of our colleges and universities; allocating resources strictly by the measurable components of this work could result in serious goal displacement. Rewarding reduced time to degrees and lowered dropout rates, for example, may push colleges to relax standards and to take fewer risks in admitting students. Rewarding test results at graduation may lead professors to emphasize testable elements of the curriculum, not to prepare students for life.

Fourth, using performance measures to determine allocations may result in budget instability, even when policymakers use multiple measures. Graduation rate gains and graduate career success, for example, will vary in a cyclical, uncontrollable labor market, despite the best efforts of a college. The resulting instability may undermine planning and support needed for sustained improvement. Performance indicator schemes should, instead, provide sufficient resources to encourage improvements on agreed outcomes, but not so

much as to distort institutional priorities and disrupt organizational stability.

Fifth, academic values may still influence the political debate. Academic reputation still drives quality rankings, and many elected officials want to take credit for high scores and for the funds and the economic development spin-offs that often accompany university research. Most important, citizens and their children “vote with their feet” by applying to the most highly regarded colleges and universities, measured largely by traditional definitions of quality. These citizens will not accept an emphasis on cost controls and truncated time-to-degree. States that heavily push efficiency could feel a backlash if accountability threatens traditional dimensions of quality.

Sixth, policymakers and academics should strengthen the quality of appointments to and decisions made by institutional and state boards. Lay boards provide *democratic accountability*; they reflect the views and perspectives of citizens and of the elected officials who appoint them. But boards are more knowledgeable, more stable, and less politicized than elected bodies. Legislatures traditionally recognized board expertise by deference; they should now leave the details of closely-calibrated accountability schemes to state boards and their expert staffs.

Most important: Developing a balanced accountability regime requires *trust* among faculty, administrators, state boards, elected policymakers, state budget officials, the media, and the public. Gaining and keeping trust is not easy when legislators and the public suspect academics and their values. The public wants its colleges and universities to teach students, especially state-resident undergraduates, well and efficiently. Employers want dependably trained, broadly knowledgeable graduates. Citizens, employers, and their elected representatives question practices that deemphasize teaching and undergraduates, avoid independent assessment of student learning, and pay little attention to costs to students and taxpayers.

To win back trust—the key to maintaining autonomy—academics must convince state leaders and the public that they will respond to their concerns, even perhaps by accepting some legislatively requested performance indicators that are poorly connected to desired outcomes. This acceptance may perform a salu-

tary symbolic function if few dollars are attached, or if comprehensive, outcome-oriented measures of higher education's multiple missions counterbalance the faulty indicators.

Analysis—ideally jointly undertaken by institutions and state board staff—may improve problematic process indicators. Here are some examples:

- Washington state officials substituted a measure of “excess” credits at the time of graduation for a proposed undergraduate average time-to-degree measure.<sup>53</sup> This substitution avoided penalizing the institution for lengthened time taken by students with jobs or with financial difficulties, while encouraging careful advising and timely scheduling of courses needed for graduation.
- Washington institutions persuaded state officials to measure student credits generated per faculty full-time-equivalent instead of faculty teaching loads. This measure, while not without drawbacks, permitted different disciplines or innovative departments to employ variant approaches to teaching and learning.
- Some states adjusted the widely used graduation rate and less often used student learning measures for the characteristics of entering students. Unadjusted measures disadvantaged colleges with less well-prepared students and encouraged performance improvement by narrowing admission criteria.

All accountability debate participants should welcome the current interest in assessing student learning. This interest may enhance mutual trust, if assessments are not overly weighted to the immediately measurable and if they account for the limitations and biases of standardized tests. Indicators of alumni and employer satisfaction and of post-degree educational and employment success can help, if they avoid short-range assessments, and do not unduly influence resource allocations. Colleges can also document unappreciated benefits of their other missions: research and public service, for example. Finally, the performance indicator movement could bolster the case for diversity efforts—an area of notable silence in most states with accountability regimes—if institutions show

that a more diverse student body and faculty cadre produces educational and attitude-changing effects.<sup>54</sup>

## CONCLUSION

This chapter analyzed the movement to hold higher education to rigorous, state-devised accountability standards that are increasingly tied to budget allocations. Pervasive, persistent, and society-wide forces drive accountability concerns. Higher education cannot expect exemption, especially when it has a damaged public image and when traditional buffers from direct state influence—the institutional and state governing boards, public and legislator deference, and good will—are weakening. Public colleges and universities can sustain their treasured autonomy—essential to realizing core values, such as academic freedom, responsiveness to changing societal needs, and high quality in knowledge generation and transmission—only if they meet public expectations for accountability. An acceptable balance may result from a reasoned dialogue between higher education officials and their state sponsors *if* the parties focus on results rather than on processes; *if* they keep key process decisions in the hands of those best situated to make them; *if* policymakers do not link very large resources to measurable results; *if* the parties balance measured and rewarded outcomes across higher education's societal missions; and, most important, *if* academic freedom is secured. Strong independent citizen governance bodies are essential to successful dialogue.

Higher education has served this nation well. Colleges and universities can be of even greater service if the parties accept the principles of autonomy and social responsibility—*democratic accountability*—that only together can preserve high quality in the academic enterprise.

## NOTES

<sup>1</sup> Zumeta, 1999.

<sup>2</sup> The federal government has also taken an increased interest in accountability. It has substantially increased its scrutiny of: faculty hiring practices; allocation of expenses to federal grants; probity in reporting research results and in the use of human subjects in research; crimes committed on

campus; and the making and collection of federal student loans and associated recruitment of students. Coverage of sponsor agencies under the Government Performance and Results Act (GPRA) could eventually subject colleges and universities to federal price (tuition) controls.

<sup>3</sup> Osborne and Gaebler's *Reinventing Government*, 1992, applied business ideas to government, including ways of improving quality and results while reducing costs via *restructuring* or *reengineering* operations. Their arguments daunted and bewildered many administrators who believed that higher quality inevitably implied *higher* costs. MacTaggart and associates, 1998, covers similar ground for higher education.

<sup>4</sup> Marshall and Tucker, 1992; Judy and D'Amico, 1997.

<sup>5</sup> In the early 1990s, Medicaid, an "individual entitlement" program to which states must contribute for each eligible enrollee, surpassed higher education as the second-largest general fund function. Legislatures, often under pressure of judicial mandates, must fund "K-12" education and corrections caseloads in some fashion. Until 1996, the federal government required states to help support needy individuals covered by Aid to Families with Dependent Children (AFDC), the largest welfare program.

<sup>6</sup> Zumeta, 1998. More drastic budget cuts may occur during the next recession, since demands from other state functions—especially public assistance—will grow. Welfare is no longer an individual entitlement—changing the terms of federal-state cost-sharing also ended the federal mandate that states assist their citizens more in an economic downturn. But states, now solely responsible for the needs of their citizens, will squeeze funding from higher education to pay for basic necessities.

<sup>7</sup> In 1994 dollars, the average price of four years of tuition, fees, room and board at a public college or university in the U.S. more than doubled (+134 percent) from 1975 to 1994 (Institute for Research on Higher Education, 1997). Median incomes hardly grew, after adjusting for inflation. Prices grew at an even faster rate at the privates. Costs have since moderated, but price increases still substantially exceed inflation and growth in family incomes (College Board, 1998, 5).

<sup>8</sup> The public wants more "effective use of facilities," use of new technologies, utilization of private colleges and universities to meet access demands, and emphasis on student, not institutional, support, according to a survey of Californians (Immerwahr, 1997, v). In another poll, Washingtonians called for reducing administrators and "increasing the number of classes each professor teaches" rather than limiting enrollments (MGT and Elway, 1995, iii).

<sup>9</sup> Bennett, 1987.

<sup>10</sup> Owen, 1998.

<sup>11</sup> Conklin and Trombley, 1998.

<sup>12</sup> See Hofstadter, 1963.

<sup>13</sup> For ideological and managerial critiques, see Anderson, 1992; Bennett, 1987; Bloom, 1987; D'Souza, 1991; Huber, 1992; Smith, 1990; and Zemsky and Massey, 1990.

<sup>14</sup> Western Interstate Commission on Higher Education and The College Board, 1998.

<sup>15</sup> Trow, 1993.

<sup>16</sup> Several states still support "independent" colleges and universities in the eastern U.S. (Zumeta, 1996). Independent sector students are eligible for student aid grants, available in most states (De Salvatore and Hughes, 1999). These provisions subject most independent colleges and universities to public concerns for accountability.

<sup>17</sup> For exceptions, see Rudolph, 1962; Glenny and Dalglish, 1973; Glenny, 1976.

<sup>18</sup> On this period, see especially Veysey, 1965.

<sup>19</sup> Glenny and Dalglish, 1973.

<sup>20</sup> Trow, 1993.

<sup>21</sup> Glenny and Dalglish, 1973.

<sup>22</sup> Clark, 1987; Kerr, 1991.

<sup>23</sup> See the recent report on new roles for college and university boards of trustees, published by the Association of Governing Boards (Association of Governing Boards, 1998).

<sup>24</sup> See reports on recent events in New York (Healy and Hebel, 1999; Hebel, 1999a), California (Selingo, 1999), Florida (Lively, 1999), and Virginia (Hebel, 1999b).

<sup>25</sup> Healy, 1997; Magner, 1999; and Healy and Hebel, 1999.

<sup>26</sup> Stimpson, 1998; Miller, 1998; Richardson, 1999; Healy and Schmidt, 1998.

<sup>27</sup> Legislators, supported by local boosters, often pushed for new campuses in their districts, without a statewide analysis of need or optimal location (Glenny, 1959; Stadtman, 1970; Berdahl, 1971). The 1972 amendments to the Higher Education Act encouraged the development of statewide planning and policymaking boards.

<sup>28</sup> Individual campuses may also have their own boards. Some states have separate governing boards for two-year and four-year institutions. For a description and appraisal of state structures, see McGuinness, 1997.

<sup>29</sup> The next section provides evidence that supports this proposition.

<sup>30</sup> See Ruppert, 1994.

<sup>31</sup> *Performance budgeting* also uses these types of indicators, but the link to dollar allocations is judgmental and includes nonmeasured elements (Burke and Serban, 1998a).

<sup>32</sup> Christal, 1998.

<sup>33</sup> Burke and Serban, 1998a. Both figures were up from the same 1997 survey. In 1997, 16 states used performance budgeting; ten used performance funding. The authors revised results for 1997 reported earlier.

<sup>34</sup> The diffusion of performance funding approaches continued during 1999 legislative sessions (Schmidt, 1999c). A new survey showed the number of states utilizing performance funding had grown to 16 by mid-1999 (Burke and Modarresi, 1999).

<sup>35</sup> Schmidt, 1999c.

<sup>36</sup> Serban, 1997, 13. The proportion of the higher education budget involved grew modestly, though not without interruption, in the two states with the longest histories: Tennessee and Missouri (Lambert, 1997, updated by the author in spring 1999).

<sup>37</sup> Trombley, 1998; Schmidt, 1999b. Both sources question whether South Carolina will implement this mandate fully.

<sup>38</sup> Burke, 1997a and b; Burke and Serban, 1997; 1998a and b; Serban, 1997. These publications are based on 1996 and 1997 studies of the eight states employing performance funding when the authors began their research. Burke continues the project at SUNY-Albany. Alabama and Kentucky, two of these eight states, discontinued performance funding, though Alabama re-enacted a new version in 1999 (Schmidt, 1999c). On the birth and death—or at least dormancy—of performance funding in Washington, see Zumeta (forthcoming).

<sup>39</sup> Burke, 1997a, 35-36.

<sup>40</sup> Outcome measures include graduate job placements (used mostly for two-year institutions); pass rates or scores on professional licensure tests; faculty-staff diversity measures (rarely used); results of student, alumni, or employer satisfaction surveys; standardized tests of student learning (much talked about, but used in only two states); and graduate or professional school continuation rates for baccalaureate degree-earners (Burke, 1997a, 48-49). Some especially crude outcome measures: standardized test scores to proxy for student learning gains from general education, and first job placements to proxy for higher education's value in careers.

<sup>41</sup> The links may be tenuous, absent verification. These output counts resemble traditional measures, but their use to drive state funding is new. Whether

the graduates are *well* prepared for careers or other aspects of life, and whether the research funds produce *significant* results are *outcome*, not output, questions.

<sup>42</sup> For example: employing increased faculty utilization of new technology in classes (a process measure) as a proxy for improved educational results (an outcome measure).

<sup>43</sup> For example, whether student learning is independently assessed or tenured faculty performance is periodically reviewed.

<sup>44</sup> Burke, 1997a. Christal's survey provides a similar list for all 37 states using performance measures for any purpose. Christal and Burke have similar lists of the most common measures: graduation rates, transfer rates, faculty workload and productivity measures, employer and alumni satisfaction survey results, sponsored research funds secured, and pass rates on licensure exams. Some states also used measures of remediation activities and effectiveness, degrees awarded, graduate placements, admission standards, total student credit hours amassed, and number of accredited programs (Christal, 1998, 5).

<sup>45</sup> Institutions were never the initiator.

<sup>46</sup> Burke, 1997a, 39-41.

<sup>47</sup> Burke's terms: the *Resources and Reputation* model.

<sup>48</sup> Burke's respective terms: the *Strategic Investment or Cost-Benefit* model and the *Customer/Client-Centered* model. *Ibid.*, 41-43.

<sup>49</sup> On these points, see Serban, 1997; and Lambert, 1997.

<sup>50</sup> For indications of such developments, see Schmidt, 1999a and b.

<sup>51</sup> See Hofstadter and Metzger, 1955; American Association of University Professors, 1986; O'Neil, 1997.

<sup>52</sup> See Drucker, 1985; Marshall and Tucker, 1992. The "new public management" paradigm includes many similar tenets. See the symposia in the *Journal of Policy Analysis and Management* 16, no. 3 (1997); and in *Public Administration Review* 58, no. 3 (May/June 1998). On applications in higher education, see MacTaggart and associates, 1998.

<sup>53</sup> This "Graduation Efficiency Index" (GEI) relates the number of credits accumulated to the number required for the degree (Gillmore and Hoffman, 1997). The target average can be calibrated to allow students to take a "reasonable" number of credits beyond the minimum required for the degree.

<sup>54</sup> For evidence of such effects, see Bowen and Bok, 1998.

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