Problems confronting higher education are considered from the perspective of state coordinating agencies. Ten obvious problems are as follows: adjusting to new enrollment patterns; attempting to close the cost-income gap; expenditures increasing more rapidly than income; supporting the capacity for research and advanced study; meeting new educational needs of the population; working for more effective use of resources in institutions; encouraging diversity and helping colleges and universities to retain vitality and flexibility; continuing the progress toward social justice both in enrollment and employment; creating conditions that foster self-help and local initiative in institutions; and maintaining the proper balance between the inner direction of institutions and external influences upon them. It is suggested that, except in functions such as resource allocation or setting procedures, the state tends not to be a very good substantive planner. Furthermore, the state is not very good at being an entrepreneur/manager, nor a means for reconciling diverse interests. It is claimed that in the present times of declining enrollment growth and declining growth of finances, the state is being called on to do the things that it does not do very well. Some possible solutions, things that can be done at the state level and that do speak to the obvious problems, are suggested. It is recommended that coordinating agencies can develop a better understanding of the cost pressures in labor/intensive activities, and that they can elicit expertise to assess and act on the impact of inflation. Additionally, there is a need to review state goals in the new context of higher education and to measure state effort in moving toward those goals, to develop new procedural relationships for required planning, and to determine strategies for influencing federal policy. (SW)
Paper Presented at a Seminar for State Leaders in Postsecondary Education

THE NEXT DECADE IN HIGHER EDUCATION: OBVIOUS PROBLEMS AND POSSIBLE SOLUTIONS

Hartford, Connecticut
November 1975

IEP Paper No. 020

Inservic Education Program (IEP)
Education Commission of the States
1860 Lincoln Street, Suite 300
Denver, Colorado 80295

The IEP Program has been supported primarily by the W. K. Kellogg Foundation with additional funds from the Education Commission of the States, the Frost Foundation and the State Higher Education Executive Officers.
Transcript of Remarks by
Earl F. Cheit

THE NEXT DECADE IN HIGHER EDUCATION:
OBVIOUS PROBLEMS AND POSSIBLE SOLUTIONS

I am certainly pleased to join you on this occasion. I was moved by
Mr. McGannon's summary of the kinds of problems that face the states, and
his remarks suggest the kinds of problems that probably face the people
active in state level coordination. Commissioner Nyquist recently remarked
that after he sent his famous letter to the City University of New York
urging that it adopt tuition, he received a telegram that said, "Go to
hell stop letter with disparaging remarks follows." It may be that some
of the problems we have seen up to now are rather simple compared to the
ones ahead.

I am going to talk tonight primarily from the perspective of the state
coordinating agency, or commission, not from the perspective of the institution.
I know the coordinating agency perspective is the one that most concerns this
audience.

The dominant characteristic of American Higher Education has been its
remarkable growth. Although that growth was slow until the Civil War, in the
century after the Civil War it was very rapid; and from the mid-1950s to the
late 1960s, it was so accelerated that we now quite routinely refer to them as
"the Golden Years" (from Hans Jenny's monograph on the economic fate of the
liberal arts colleges). During those Golden Years, enrollment more than
doubled. Expenditures in institutions rose more than proportionately to the
increases in enrollment, and the share of the GNP going to higher education
more than doubled.
Since the states are the basic providers of higher education and funded the major share of that growth, they sought to guide it by new devices. Until the great growth in the Golden Years, the states relied on that most sophisticated legislative device, the self-denying ordinance. The states created and funded institutions but denied themselves control over them. In the 1950s, as the Golden Years began to create all sorts of problems, the states adopted what in retrospect appears to be a very subtle and highly sophisticated amendment to the self-denying ordinance—the state coordinating agency.

During that period most of the states adopted goal statements for higher education in which the role of the coordinating agency was often spelled out. The coordinating agency was usually assigned the task of allocating possibilities within the context of these goal statements. I recently checked the goal statements of three states in widely different sections of the country—New York, Indiana, and Washington—and (given the obvious differences in those states) found them to be remarkably similar. They seek access for every high school graduate without regard to means or sex or geographic location in the state; they provide for the goals of diverse opportunity or pluralism; they seek genuine freedom of choice for students to select institutions appropriate for their needs; they desire the maintenance and indeed the improvement of the equality of the institutions and effective use of resources.

These goal statements are quite similar, and they are the ones that one finds in your own planning documents in Connecticut. Now, allowing for some differences between the states, I think it fair to say that during those Golden Years the mandate to the coordinating agency in higher education was really to apportion growing possibilities within the context of those goal
statements. Although the coordinating agency was working toward those goals, in another sense it was rationing growth, or, if you will, guiding and directing it.

Therefore, if this meeting had taken place, say, six or seven years ago, and if at that time we were asked to address the questions that are before us tonight—namely, a look ahead five years to the obvious problems and possible solutions—it seems to me that both the obvious problems and the possible solutions would have been fairly clear. The obvious problems were to move towards the stated goals. The solutions were to establish procedures for review and coordination which would allow movement toward these goals. If we look back, we will find that remarkably few serious complaints were made about the work done by those coordinators at that time.

To be sure, those of us on the campuses complained a lot. During those years, when I was Vice Chancellor of the University of California at Berkeley, we grumbled at the statewide agencies. We said that to be a statewide official you had to have the qualities of a dean—that is, you had to be smart enough to do the job and dumb enough to take it. We grumbled especially at the review procedures and the delays, but for the most part, our memories of the activities of the coordinating agencies during that period are, if not fond, certainly not hostile. And with good reason. Looking back, I think a favorable judgment can be made on the efforts of coordinating agencies during that period. All things considered, they did a good job in carrying out their mission. And it's only in the last couple of years, the early part of this decade particularly, that new pressures are being brought to bear on the old goals and new problems are arising that in a sense create a new agenda.
Before we get to that, however, I would like to ask and to answer the question: why is it that these agencies really performed as well as they did? I think there are two reasons—one fairly obvious and well-known, the other not so obvious. The obvious one is, of course, the fact of growth itself. Complaints are rarely heard about a process that seldom says "no." The complaints that did come from campuses when programs weren't approved were not really long-lasting complaints. (In Veblen's phrase, they didn't produce a "vivid sense of grievance.") The reason is that you knew that if you lost this round you would win the next.

It seems to me that there is a second reason for the success of the coordinating agencies during those Golden Years, one that is not so well recognized: the assignments given state-level coordinating at that time called on the state agencies to do those things that the state and its bureaucrats do best.

Whether you look at bureaucracy as a necessary evil or as carrying out the public interest, the fact is that the state and bureaucracies do some things well and other things rather less well.

I think that the growth of the higher education during the Golden Years called on state agencies to do the things (and I will enumerate them) that bureaucracies do best. For example: assembling expertise and bringing it to bear on a specific problem; using information gathered through its expertise to inform the public about a problem; helping to increase understanding and the process of participation by citizens (as indeed you did with your plan here in Connecticut); using the expertise developed by state agencies to promote knowledgeable self-restraint; setting ground rules for competition; promoting self-help and local initiative in institutions; and, finally, prohibiting grossly improper or dishonest behavior. That is my list. The kinds
of things that coordinating agencies were called upon to do and indeed did rather well during that time were just those kinds of activities. State agencies during those Golden Years had going for them the advantage of growth, but in addition they did those kinds of things the state does best. They had also, of course, devoted and dedicated people, but I don't think that they were any more dedicated in higher education than in other branches of state government.

But it is not six or seven years ago. We are here tonight, and there is a new agenda. The goals are not obsolete, but they exist in a new situation. We face now the problems of declining growth and eventual stability in enrollment; of declining growth in revenues; of an unusually perverse economic environment of inflation and recession at the same time (and higher education is typically both the victim of inflation and a victim of the policies used to fight it); and we face a situation in which the expectations of higher education are under close scrutiny while people have less confidence in our ability to meet those expectations. In short, there is a new condition. We must now look at the goals of the 60s in a new context, one that creates a new agenda. Thus, the title of my remarks—"The Next Decade in Higher Education: Obvious Problems and Possible Solutions." We can refer to the problems as obvious.

Let me give you my list of ten obvious problems from the perspective of the statewide coordination agency:

1. Adjusting to new enrollment patterns.
2. Closing, or trying to close, the cost income gap.
3. Rising of expenditures more rapidly than income, a phenomenon now well familiar in higher education.
4. Supporting the capacity for research and advanced study. The research institutions, generally neglected in the last few years in the discussions of the problems of higher education, have a hard time commanding an audience today and yet we are eroding, I believe, the base capacity for research and advanced study.

5. Meeting new educational needs of the population.

6. Working for more effective use of resources in our institutions and in our coordination of them.

7. Encouraging diversity, helping colleges and universities to retain vitality and flexibility at a time of reduced enrollment and at a time of increasing tenure ratios.

8. Continuing the progress towards social justice both in enrollment and in employment.

9. Creating conditions that foster self-help and local initiative in institutions.

10. Finally, and certainly not last (I have this list in no special order), maintaining the proper balance between the inner direction of institutions and external influences upon them.

As you know, the college is partly a market institution, but only partly. It is also shaped by inner direction, and during the Golden Years, was shaped mostly by inner direction. That is less possible today. Very few institutions today can determine their direction from within. In an interview in the Los Angeles Times, the dean of the college at Scripps was asked whether Scripps was going to turn to vocational programs to try to respond to the market. The dean is quoted as replying "We revel in the fact that Art bakes no bread." There are very few who could make that statement. Too many institutions, however, have been forced
to make their bread by baking it and therefore, the coordinating agency has, as part of its task, recognizing that inner direction is now being swamped by market influences.

Now, I am assuming that your list would probably be the same as this one, or that at least eight of the ten items would be the same. But one immediately comes to the eleventh item—that is, how do you choose priorities?

How do you decide where you are going to put your efforts and where you are not? One way to approach that problem is to look to those areas of activity that the state does best, and not to those areas of activity where the state does not do nearly so well. What doesn't the state do well? I have three items on that list. Except in broadest terms, such as allocating function or setting forth procedures, the state tends not to be a very good substantive planner. Secondly, although the state is sometimes forced to be entrepreneur-manager, it tends not to be a very good one. And finally, state action is not a very subtle instrument for reconciling diverse interests. There is an irony that I think is obvious to all of you: just as the Golden Years seemed to call on the coordinating agencies to do those things that the state in my contention does best, the new condition of higher education—declining enrollment growth, declining growth of finances—seems to call on the state to do the things that the state does not do very well.

Let me give you some examples. Take efficiency, something that all the goal statements mention, something very much on the mind of people at the state level. No one has ever accused colleges and universities of excessive preoccupation with efficient operation, or of being leaders in the management movement. But they have not been wasteful. The colleges have been under-managed, not mismanaged. In fact, I often argue with friends in business that
no matter what criterion one takes, executives per acre or square foot, or buildings and plant, or by endowment, or resources, or income flow, or any other measure, historically the colleges have been under-managed. Of course, there are good reasons for that. Because there was a consensus about goals and operations, they needed very little management.

The modern management movement now moving into higher education did not start in higher education itself. It began in large corporations, moved quickly to government where it was developed, and came to higher education through the efforts of private foundations and the states. The development of the modern management movement in higher education, with its array of analytical techniques and more sophisticated methods of cost measurements and analysis, came about because of the impetus of the states and private foundation money. The money helped higher education exploit devices developed in the government, largely the Department of Defense.

The new condition of higher education, the "New Depression" as I have called it, began to put pressure on us. Enough so that a number of people were tempted not to stay with what the government does well but to slip into those areas where it does not do so well. The National Commission on Financing Postsecondary Education made as one of its recommendations that the federal government develop unit cost data for institutions and for use in funding decisions at the federal level. It was obvious that the data were to be used to manage the resource allocation process at the federal level.

Some of the states were tempted to take the devices developed by Bob Huff and his colleagues for use in institutions and apply them at the state level in ways that they were never intended to apply. Some of the budget devices
were put into state government, and institutions were told to budget in a way that met these new state requirements. The state was going to manage the allocation process more effectively.

I think it is fair to say that those efforts have produced very, very little in the way of substantive results. In some states the university had to prepare its budget two ways: one, in response to the new mandate of the state; and in the old way as well, so that it could continue to appropriate money because only the old way was understood.

Had the states stayed with the first list, had they used their expertise to try to promote knowledgeable self-restraint in the institutions, and to make people aware of these techniques, my belief is that we would be much further ahead today with the use of modern management systems in higher education than we are. If that does not provoke a response, nothing that I say the rest of the evening will.

Another example of the desire of the states to do something it does not do well comes out of your neighboring state of New York. Given declining enrollment growth and the growing cost income gap, certain private institutions in New York began to fear for their continued existence. They did not get satisfaction out of the commissioner, so they went to the state legislature. The legislature bailed them out on the grounds that no one, I believe, can justify on educational grounds alone.

The state is not a good substantive planner when it acts in this way, and it does not do a very good job in reconciling the kinds of conflicting interests that can emerge in a situation like this. To his great credit, Commissioner Nyquist moved very quickly and established a task force which recommended pro-
cedures for dealing with enrollment declines and with the cost income gap. In other words, the Task Force brought expertise to bear on the problem, and tried to set procedures for competition under reduced circumstances. It did what I submit a state is good at doing, and the procedures it developed will eventually promote self-help and local initiative and set good ground rules in the state.

Perhaps these are ambitious aspirations for the Pusey Committee report. As an outside member of the Pusey Committee I do not want to give you the impression that its work will be highly successful, but I think it does offer New York some good guidance, much better than its earlier approach.

Let me give you a third example—the 1202 commissions. The idea that you could take the kinds of representation planned in the 1202 commissions and do substantive planning within a state was wrong. These groups were doomed to fail because of the way the 1202 commissions were first created.

The 1202 commissions could have succeeded had they followed that first list and not wandered into the second—that is, had they done what the state does well and not what the state does not do well. The 1202 commissions could have succeeded had they been concerned more about rules for competition and more about bringing expertise to bear on a problem—more about bringing in that rather little known third sector, the proprietary institutions.

Another example concerns accountability. The state has always held colleges and universities accountable by prohibiting dishonest or grossly improper behavior. But the concept of accountability is now being extended into substantive areas of performance. The accountability movement itself is extended and now needs to be made accountable. It now demands data as if it were a free good. The only thing that we treat as free is good information, and we seem
to feel that if a little bit is good, more is obviously better. The house of intellect is about to be buried in an avalanche of paper. And, if you follow what's done in the name of accountability, the curious thing is that most of it is not used in the resource allocation process.

These have been examples of things we should not do, and therefore point only indirectly to things that ought to be done. Let me turn to some possible solutions, things that can be done at the state level and that do speak to the obvious problems. At the state level—and I am talking primarily now about coordinating agencies—a great deal can be done to develop a better understanding of the cost pressures in labor-intensive activities. Here the colleges and universities and the state government itself have the same problem. All need to learn a great deal more about ways to combat those pressures. Since there is no simple cure for what President Bowen called the "cost disease," we need to learn a great deal more about it.

We now know that inflation has a much harder impact on higher education than on the economy in general. Indices developed for higher education show that the effect of inflation on higher education is greater than is indicated by the Consumer Price Index. We need to understand that impact, and we need to know how to deal with it. Bringing expertise to bear on this problem and informing people about ways to deal with it would certainly be very high on my list of possible solutions.

Secondly, there is a strong need to review state goals in the new context and to measure state effort in moving toward those goals. In the years of growth, no one worried much about goal definition, because with growth, progress was being made. But when movement toward goals slows down, then how one defines them becomes extremely important. Take universal access, which is typically
at the head of the list in most of the states: the states have never really defined what is meant by universal access. It is now time to make an attempt to be a bit more rigorous. What do we mean by universal access? We obviously do not mean universal attendance, and we never did. We obviously mean more access than we had in the past, but how much? In that More Than Survival monograph that Warren mentioned you will find an attempt at a definition. One definition would be the achievement for the nation as a whole of the enrollment rates of 18-24 year olds above median family income. But even the data to make this determination are very hard to come by. I would be very surprised if you had them in Connecticut. We did not have them in California. One must do a great deal of juggling to get them for the nation. We ought to know enrollment rates by income. The best data now available show the enrollment rates of those above median income are about 2-1/2 times those below median income. Is that universal access? Probably not.

What is universal access? The White House Conference on Youth said it occurs when enrollment is a one to one ratio. That is unrealistic. There are very good reasons why it never will be, and probably never should be, one to one. But what should it be? 1-1/2 to 1, 2 to 1? When is there universal access? When does the state know that its efforts towards extending access have achieved an approximation of that goal? These questions need to be opened up. State goals were remarkably open-ended and have not been put to careful scrutiny.

Going quickly through the list, I find my third possible solution would be developing new procedural relationships for the kind of planning that must be done. Most of the procedural relationships existing now were developed during the Golden Years, and they were meant to serve growth. These are not the proce-
dural relationships for reallocation of function. And therefore, Chancellor Boyer could properly ask that a first stab at that effort be made in New York. The state's consultants reviewed the Ph.D. programs and said you don't need a Ph.D. program in history in Albany. That's when the school heard the recommendation. Chancellor Boyer then asked a very proper question. What are the procedural rights of institutions? Do they have a chance for notice, for hearing? Once a state agency says that you don't need Ph.D. level work in history at Albany, are bright graduate students going to come to Albany to study history or will they hear of this and stay away, thereby carrying out the recommendation before it is acted on?

What are the best procedural relationships? We don't know yet. Clearly they are different from the old relationships which simply assumed that everything worked the way the institution wanted it to. Now that the institutions are not always the initiating force and the state agency often is, new procedural relationships must be developed.

Fourth on my list would be thinking about strategies both for influencing federal policy and for working with it. It seems inevitable that in the next five years the states will become more important on the federal scene. The states are the most important funders of higher education, but, in the shaping of federal policy, they have not been as important as their role warrants. Since states have never failed to recognize their self-interest, I think they will be much more vigorous in trying to shape federal policy.

If the SSIG program (or another program like it) expands, as I hope it will, you will find the federal government deciding that it ought not to become such an active player in this game. Reverting to its old role of consumer, the federal government will start giving money to the states to distribute. The
states have an enormous interest in having the federal government do just that over the next few years, and they ought to be developing strategies for influencing federal policy and linking state programs to federal programs. If they don't, financial aid support to students in higher education will become as bizarre as some of the welfare state provisions in federal-state relationships, as the whole range of benefits for unemployment, social welfare and accident and injury and retirement, etc. Where you have this great hodge-podge, you don't have a very good federal-state relationship. Clearly, the federal-state relationship needs to be worked at, and I think the initiative ought to come from the states.

The whole question of the emancipated student is a case in point. I am told by student aid people that there are easy ways to beat the BOGS and to become an emancipated student. One can go to the "y" every fourteen days and spend a night and thus not have lived at home two weeks continuously. It pays for most people, even those with very modest incomes, not to take the tax deduction. You might lose $75 or $100 or even $200, but an $800 or $900 grant is much better than taking the tax deduction. Better coordination between state programs and federal programs is needed.

Simplifying accountability is another entry on the list. What is it that we really want in making institutions accountable? It is now time to look at what accountability really means. Once looked at, an effort to move toward simpler criteria, toward less reporting is likely to evolve. What is happening now is that demands for data represent a subtle, or maybe not so subtle, form of struggle for control. Whoever gets to define the question has the biggest influence on the answer. Legislators complain that they ask a simple question and get mountains of printouts that they cannot read. They don't know what it
The institutions say that if they don't answer that way, they are going to be caught. They use all this information to avoid simple-minded control. Surely, we have to be able to break through that situation. For the public institutions, it is a must, especially as they come more and more to seek and to receive funds from public sources. We all have a very large stake in this.

Another possible solution is reviewing the competitive rules between the public and private sectors. From time to time people ask if there is a peril point in private sector enrollment below which no state should be permitted to go. No one has ever answered this question, although merely raising it calls to mind the virtues of the private sector. But surely there is a great deal to be said for constantly reviewing the rules of competition between the public and private sectors. The states have an obligation to do this—to evaluate tuition ratios, student movement, and the holding ability of different institutions. This is information that states should be looking at. Where it doesn't exist, they should generate it.

A solution for any state with a strong private and public sector is to look at those competitive conditions with a view towards having yardstick institutions in both the public and private sectors. If you really smoke out the premises of some people in public life, sometimes you find that they really believe that things excellent should only be things private. Some years ago, when there was a controversy over academic freedom in the California system, a journalist asked the then governor of the state about that issue. He said, "Well, the reason I think the situation should be stopped is that it is happening at a public institution. If that incident were happening at a private institution they would have the academic freedom to go ahead and do this." What he revealed was the
premise that the public institutions ought to be like the post office, with the steps worn and pens that don't work. The fact is that public institutions ought to have yardstick institutions. Otherwise, the basic arguments we make about the creative tension and the diversity and pluralism really don't add up to an honest statement.

My final item is also prescriptive. State agencies ought to look at those areas where the state must act, whether it acts particularly efficiently or not. There are certain areas where the state is involved because it must be. Much of the mission of the kinds of agencies we are talking about tonight falls into this third category. You do not coordinate and create state level agencies for higher education because it is expensive, although it is. You do not create coordinating agencies and state commissions to be worried about higher education because it's untidy, although it is. You do not create state coordinating agencies to deal with higher education because the campuses are ambitious and would create programs that overlap, although they would.

Those reasons are relevant, but the reasons that the states are in this game are much more fundamental. The states have an interest in having their agencies deal with higher education because the public welfare depends on it. The benefits of higher education are social as well as private. Higher education is an important mechanism for upward social mobility, for better income distribution. Those are the basic reasons that the states are in this game—redistribution of income; upward mobility, public or social; as well as private benefits, thus the welfare of the state itself.

"The welfare of the state itself" does not come from the preamble to a document for a coordinating agency. George Washington's second annual address to the nation advocated the creation of a national university on the grounds
that the nation's welfare depended on higher education. That is why the state is active in this area.

Historically, the states moved into higher education by creating the institutions and then adopting this sophisticated device, the self-denying ordinance. The states created colleges, funded them, but did not control them. By the way, when I say funded, I mean the private sector as well as the public.

The self-denying ordinance defined the relationship between higher education and the states until the Golden Years. With the coming of the Golden Years, the states adopted a subtle amendment to the self-denying ordinance, the coordinating agency. It was subtle because it didn't have direct muscle—it used persuasion. The coordinating agency brought the parties together and tried to get them to see their own self interests, as I argued earlier. That subtle arrangement—so fragile, apparently incapable of carrying out its mission, so thankless, resting only on persuasion—worked. It worked because of growth, and because the states were idealistic and were doing the things that the state does well.

Now there are the pressures of the new situation—declining financial growth, declining enrollment growth, a difficult environment, all the things you are familiar with. The problems are upon the states, and they are tempted to amend the self-denying ordinance beyond coordination. But the states as yet have no new theory. When they act in an area like this without a theory, events lead, and only later do we find out what was really needed, oftentimes when it is a bit late.

So we are being led by events in a context that is gloomy. Howard Bowen recently pointed out that even though we try to live in the present, where important decisions are involved we should take account of the fact that "our current view of the world is seriously beclouded by an exceptional string of bad luck. The nation has experienced in the past decade three political assassinations,
an unwinnable war, and unprecedented White House scandal, visible damage to the environment, the combination of inflation and recession, shortages of food and oil, the collapse of the dollars international currency, drastic changes in values and life style," and, I would add, the threatened bankruptcy of the major city in the nation and indeed perhaps some of the states.

It is hard to remain optimistic and assume that tomorrow will be better. Reacting to this pessimism, institutions are digging in, faculty members are unionizing, students are saying they want to be at the bargaining table, administrators are trying to hold their own, worried about a kind of "in the trenches" mentality developing on the campuses and in state governments. Many administrators are beginning to see as their major mission the scaling down of bloated expectations of the Golden Years. The most popular book touted repeatedly by the governor of my state is Schumacher's *Small is Beautiful*. The Governor's main message is that "government cannot do things for you, you must do them yourself." The public is most responsive. People don't boo. They listen and applaud. He is touching a nerve ending.

Leaders in state government are encouraging people to look to themselves, to look to self-help and to reduce the expectations of the states. It is fine to deflate bloated expectations, but leadership requires a bit more. Education still is a very important vehicle for upward mobility for a large fraction of the population, especially low-income and minority population. To reduce expectations now is to set in motion forces that are likely to lead to a more class structured society—an unwitting result perhaps, but nonetheless a situation in which this generation says to the younger one, "we got ours—you go in debt or you don't get in."
Some institutions are under such market pressures that the liberal arts tradition is threatened. The useful is swamping the liberal. The capacity for research and advanced study is being eroded. Under these circumstances it is not enough to say cut down expectations.

What then should the theory be? This is where I turn to the seminar part of your evening. But let me not leave you entirely without some procedural response. If the new theory that informs the further amendment of the self-denying ordinance is going to be one that meets the kinds of issues and goals that I spoke of, it will have to come very strongly out of the concerted effort of the higher education community itself. If ever there was a time for local initiative and definition of purpose, that time is now. I believe the states will be responsive to reasoned argument about priorities, about allocation of resources. They are likely to be responsive to a new theory if it comes persuasively from the higher education community itself. If it doesn't come from there, it will come from committees on finance, or from committees on the budget, or from legislative oversight committees. These groups will tend to push coordinating agencies into becoming leveling agencies—the simplest way of doling out diminished resources. I leave you with a procedural suggestion, but surely not with the outlines of a solution. When that solution comes, it will differ from state to state depending on the relationship among the sectors. The colleges and universities can get help from the state agencies, and giving that kind of help is one of the functions the state performs best.

Hartford, Connecticut
11/5-6/75