Factors related to shifts in governance patterns of church-related private colleges were investigated through historical document analysis, interviews with 34 presidents and board members, and 59 questionnaires returned by current and past board members of 2 New Mexico institutions. Document analysis focused upon mission statements, annual reports, catalogs, press releases, newspaper articles, alumni bulletins, school newspapers, and faculty council minutes. Attention was directed to shifts in governance patterns over the past three decades (late 1940s through December 1981) for two southwestern colleges, both related to the Roman Catholic Church and operated as coeducational, 4-year undergraduate institutions. Since the 1960s, board composition of the two institutions shifted from absolute religious domination toward a shared religious/law membership. In addition, the size of the boards increased to accommodate the demands for lay representation. The composition of the boards at both colleges reveals dramatic changes in the number of trustees, in the proportion of religious to lay members, and by the addition of students and alumni. Four major factors were involved in the shifting governance patterns: ownership, funding sources, value structures, and politics. The findings suggest that transitions in governance and control in a church-related college are influenced primarily by shifts in value orientations, while the formation of responses to these shifts is primarily a political process, dependent upon the ownership of and sources of funding for the institution. Additional theoretical propositions regarding governance patterns and recommendations for policy development are proposed. A bibliography is appended. (SW)
SHIFTING GOVERNANCE AND CONTROL IN CHURCH-RELATED INSTITUTIONS OF HIGHER EDUCATION

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SHIFTING GOVERNANCE AND CONTROL IN CHURCH-RELATED INSTITUTIONS OF HIGHER EDUCATION

Governing boards of private higher educational institutions in the United States are confronted with problems associated with declining enrollments and institutional resources to a greater degree than at any other time in their history. Church-related colleges, which account for about half of the private post-secondary institutions, often find themselves fighting for sheer survival in the current educational scene. Governance of many of these institutions has undergone dramatic shifts, especially in board composition and policy decisions, in the last several decades.

The identification of shifts which have occurred in governance and control of two church-related colleges in the southwest became the focus of the investigation described in this paper. Flowing from an analysis of the factors involved in these shifts, several hypotheses grounded in theory are developed to lay the basis for future research in governance and control.

The definition of several terms is necessary to give proper focus to this investigation. "Governance" and "control" are defined by Cowley in the following manner:

Governance denotes any social structure possessing de jure or de facto power to steer or direct, that is, to control the actions of the individuals and groups within its province.

Two kinds of control seem to be overriding in every social structure: 1) the determination of policy, including the resolution of conflicts (called the legislative and judicial functions in the terminology of political scientists) and 2) the control of day-to-day operations of the enterprise, variously called the executive function, management or administration.
This study is concerned primarily with control over policy, rather than operational control, of church-related higher education.

A "private" institution, as defined by Chambers, is "one whose physical property is owned by a private corporation or a partnership or an individual entrepreneur", in contrast to one which is under the control of the state. "Church-related" colleges are private institutions which have some degree of affiliation with a religious denomination. The concept of church relation is difficult to define with precision because there are many ways by which different religions relate to institutions of higher education.

As a framework for understanding church relation, Cuninggim identifies three basic types of church-related colleges: "The Embodying College may be described as a reflection of the Church, the Proclaiming College as a witness for the Church, and the Consonant College as an ally of the Church". While applying the criteria he developed to aid in classifying the degree of church relation to the institutions under study, Cuninggim's observations were taken into account:

When we try to place institutions somewhere along the line, we begin to discover some interesting things about the line itself. For example, it has movement. That is, to the extent to which a college may change the nature of its church-relatedness from time to time, the change moves as the eye moves along the spectrum, from left to right, almost never from right to left. Whether it does or doesn't change, or however much it changes, as long as it is still somewhere on our spectrum it deserves to be spoken of as church-related.

METHODOLOGY: A CASE STUDY OF TWO INSTITUTIONS

The nature of this research on shifting governance and control was geared toward the generation of theory rather than the verification of existing theory. Glaser and Strauss point out the importance of the
discovery of theory from data. Terming the generation of hypotheses "grounded theory", they claim that it fits empirical situations and provides "relevant predictions, explanations, interpretations, and applications." 9

A case study approach, often utilized in the study of complex organizational systems 10, was employed in this investigation. The three major methods relied upon in this case study (mailed questionnaires, personal interviews and document analysis) were used interdependently in combination form 11 with one another. Such a blend of methodologies is encouraged to increase the validity of an observer's causal propositions.

A closed-ended questionnaire was constructed, pilot tested, and mailed to eighty-eight current and past board members of the two colleges targeted for study. Fifty-nine trustees responded, representing a sixty-seven percent return. Personal interviews were conducted with thirty-four current and past presidents, trustees, and other persons related to the two institutions. Document analysis focused upon mission statements, annual reports, catalogs, press releases, newspaper articles, alumni bulletins, school newspapers, and faculty council minutes. The three methods of gathering information employed in this case study were geared to identifying shifts, and factors related to these shifts, in governance and control over the past three decades.

The unit of analysis in this case study was the private church-related college. Two southwestern colleges, both related to the Roman Catholic Church and operated as coeducational four-year undergraduate institutions, were selected for data collection. Since their founding by different Religious
Orders, each has undergone significant changes, most of which have occurred since the late 1940's. For this reason, data collection was focused on the years from the late 1940's through December 1981. During this time frame, these two colleges have shifted from strict religious control to governance by independent boards composed of a majority of lay persons.

The oldest college in its state, referred to in this paper as Rio College, was founded in 1859 by a Roman Catholic Order of men and was chartered by the Territorial Legislature in 1874. The four board members listed in this charter were all members of the Religious Order. In contrast, in 1981 the board of trustees numbered twenty-five, of whom were members of the Order and fifteen of whom were lay persons.

Plateau College was founded in 1920 by a Roman Catholic Order of women. Like Rio College, all of the original board members of Plateau College were members of the founding Religious Order. In 1981 the board of trustees consisted of twenty-one members, five of whom were members of the Order and sixteen of whom were lay. Negotiations are presently proceeding to sever ties between the college and the Religious Order. When this is effected, an independent board will be comprised entirely of lay persons. Reasons for these shifts to lay control of the boards of the colleges, and for the projected radical shift to an independent lay board at Plateau College, form the focus of this paper.

A SHIFT FROM RELIGIOUS TO LAY CONTROL

Board composition at the two institutions studied has shifted from absolute religious domination toward a shared religious/lay membership since the 1960's, as indicated in Figure 1. Not only has the proportion of religious
Figure 1: Shift in Board Composition: Proportion of Religious to Lay Members

Note: Total board membership is indicated above the solid line for Rio College and below the shaded area for Plateau College.
to lay members experienced fluctuation during the past two decades, but also has the total number of trustees on the respective boards. It appears that the size of the boards increased to accommodate the demands for lay representation, rather than replacing the religious by lay members within a constant board size.

The governance of Rio College has undergone a gradual transition from total control by the Religious Order to shared control with a majority of lay members. The four to six members of the Order which comprised the board in the period between 1947 and 1962 grew to eight members in 1962 when three lay persons were added. Lay members became a majority in 1968, a condition which has obtained to the present. The current board is comprised of twenty members, fifteen of whom are lay.

In contrast, the transition in board control at Plateau College has been more sporadic, dropping initially in 1967 to a majority lay (4 of 7 members) control. Between 1970 and 1979, fluctuations occurred in the total number of trustees (ranging between 21 and 31), yet the proportion of religious members hovered around twenty to twenty-five percent. In 1979, the Religious Order requested the resignation of the board, in order to replace it with a smaller board in which the order would be a majority (7 of 11 members). Two years later, in response to a North Central Association accreditation report which was critical of religious domination, the board was once again reorganized to include a majority of lay persons within a larger board. The current board is composed of twenty-one members, seven of whom are members of the religious order.

The transition from religious to lay control on the boards was accomplished primarily in recognition of a need for advice from business and professional
people to assist in long-range planning, as well as to enhance the image of the colleges in the local communities. As expressed by one of the presidents, "the first laymen were added to the board to provide expertise in fund-raising and legal matters...[to] help solve the unique needs of a growing post-secondary institution." This reasoning is similar to the position taken by Heilbron:

Trustees should always include substantial membership from the 'establishment', that is, business and professional people with experience in education and community service. As leaders of the society supporting the institution, they can gain support for it and can make available their expertise at little or no cost.

The current board at Plateau College was organized within the past year to direct the transfer of the college from ownership by the Religious Order to a totally independent board. As noted by one trustee,

The primary focus of the board has been to insure the stability and integrity, especially the financial stability and integrity, necessary for the successful carrying out of the Approved Plan and the transfer to a local board. This is a goal shared by both the lay members and the [Religious Order].

The transition to majority lay control during the past two decades, nevertheless, was achieved in the face of much opposition and tension from within the Religious Orders. The validity of the shift to lay control was questioned by those who felt strongly that the founding Order should maintain majority control. Once accomplished, it appears that this opposition to lay control largely disappeared. As reported by current as well as past trustees at Rio College, there is a definite feeling that the majority of board members should be lay (88% of lay and 67% of religious
trustees who responded to the questionnaire. Findings from the survey of trustees at Plateau College reveal greater disagreement among members on this issue. The Religious Order members of the board leaned toward having a majority of lay members (44% of those responding), yet one-third felt the majority should be religious and the remainder (22%) opted for a board with equal lay/religious membership. Given the proposed transfer of the college to independent ownership, it is not surprising that one-third of the lay trustees felt that all members of the board should be lay, while another third agreed that the majority should be lay. A large number indicated a feeling that there should be equal representation, while one lay member felt that the majority should be religious.

In the early 1970s pressure from students and faculty for representation on the board resulted in changes in board policy. Although one student and one faculty member represent their respective peer groups and provide a channel for the flow of information between those groups and the board at Rio College, the board has made it explicit that they are representatives only and not trustees. This practice of having non-voting representatives of students and faculty of the college is in line with recommendations of the Carnegie Commission:

Faculty members and students should not serve on the boards of institutions where they are enrolled or employed. Faculty members from other institutions and young alumni should be considered for board membership.

In sharp contrast, one student and one faculty member are accorded voting power and function as trustees on the board of Plateau College. Moreover, when asked about preferences for having student and faculty representatives
with voting rights on the board, respondents leaned more toward granting faculty (60%) and students (57%), such power than did their counterparts at Rio College (28% and 17% in favor of faculty and student voting members, respectively).

The president of Rio College, a Religious Order member, currently serves as a voting trustee ex officio as does the Provincial. On the other hand, neither office-holder serves ex officio on the board at Plateau College. When surveyed regarding preferences for these individuals to serve as voting trustees, respondents agreed that both the president (69% at Rio and 63% at Plateau) and the provincial (55% at Rio and 57% at Plateau) should be members of the board. Nevertheless, vehement opposition to this practice was expressed by many trustees, including one from Rio College:

"The president definitely should not be a voting member of the board. I feel strongly that this custom has no merit. This situation presents a great conflict of interest."

This synopsis of the history of the composition of the boards at both colleges reveals dramatic changes which have occurred in membership by adding students and alumni, in the number of trustees, and in the proportion of religious to lay members. Several strong indicators of the degree of transfer to lay control, by far more dramatic at Plateau College, emerge: the fact that the current chairman of the boards are not members of the Religious Orders, nor are they even members of the particular religious denomination; the observation that the past six presidents of Plateau College have not been members of the Order (since 1970); and the proposal to transfer both ownership and control of Plateau College to a totally independent board.
FACTORS UNDERLYING SHIFTS IN GOVERNANCE

Analyses of interviews with trustees and other persons associated with the colleges, of the survey of past and current board members, and of documents of the two colleges indicate that the primary factors underlying the transition in governance at these institutions may be grouped within broader issues of ownership, funding sources and values. Moreover, the formation of responses to these issues, and the interplay among these issues within and outside of the colleges, lead to the identification of politics as a critical underlying process in shifting governance patterns.

Ownership

Two contrasting models of governance have resulted from the different approaches to the question of corporate ownership taken by the sponsoring Religious Orders. Adopting the more prevalent model employed by institutions operated by Religious Orders in this country, both ownership and control of Rio College are vested in the college corporation which is managed by the board of trustees. In contrast, the board of trustees of Plateau College is charged with the management and internal control of the institution, while ownership is held by a separate corporation, that of the sponsoring Religious Order.

This separation of ownership from control at Plateau College has led to internal tensions among board members. Unlike the early years of the college, when the institutional board was composed entirely of Religious Order members who also held positions on the provincial board, conflicts and tensions inevitably surfaced once lay persons were added to the board. As described
by trustees, tensions arose due to the two sets of interests present in many issues before the board, one set relevant to the internal management of the school and the other reflective of the ownership interests of the Order. As observed by one lay trustee, "We had the responsibility for keeping the university on a sound economic basis without having control of all of its assets."

The Religious Order has indicated its intention to transfer ownership of Plateau College to an independent institutional lay board. However, the process of turning over property owned by a Religious Order to another party is a complex one, demanding not only the approval of the Order, but also in this case, the approval of the local archbishop and the Sacred Congregation of Religious in Rome to meet the canonical requirements of "Alienation of Property" in church law. This approval is the final condition for the transfer of the college to a self-perpetuating local board of trustees, provided that all long-term capital debts of the College are current, no short-term financing debts are in existence, North Central accreditation is continuing, and Canonical approval is obtained. When the above conditions have been met, upon request of the Board of Trustees, the Religious Order will transfer control of the College within 30 days and resign from the board.

Clearly, the split between ownership and operational control of Plateau College has been a major factor in the sporadic shifts which have occurred in board membership (see Figure 1). A number of board members commented on the difficulty of attempting to serve as trustees under this model. One past trustee offered this example:

A major difficulty arose in 1979 when they made a unilateral decision to close the institution. The board refused to go along with the decision, and all the members resigned at the request of the Religious Order.
Funding Sources

The survival of colleges and universities depends ultimately upon the availability of adequate funds for operations. Analyses of board minutes of the two institutions studied reveal that concerns with funding sources have been paramount in determining board policy as well as board composition.

As with other private institutions throughout the country, these colleges rely more heavily upon tuition and fees, private gifts and grants, endowment income, and sales and services than do public colleges. Tuition income is the major source of revenue at both colleges (48% and 52% for Rio and Plateau, respectively, in 1980), exceeding the national average of 43 percent as indicated in Table 1. Recent board minutes at both schools reflect great concern on the part of the trustees related to tuition increases. Cognizant of demands for increased revenue, trustees nevertheless are fearful of pricing the schools out of existence and thus continue to seek other sources of revenue.

The primary source of private donations for church-related colleges for many years has been the contributed services of sponsoring religious orders. As recently as 1961, the contribution of services by the Order at Rio College represented forty-two percent of the operating budget. In contrast, during the 1979-80 academic year, contributed services amounted to slightly over two percent of the operating budget.

Unlike Rio College where the Order's presence is evident throughout the campus, the involvement of the Order at Plateau College has all but ceased entirely. Thus the burden for support of Plateau College has shifted, particularly as members of the Order have turned to other endeavors.
As explained by the Provincial Superior:

Not only has the number of members decreased in the province, but there is no longer any active interest among them in working in higher education. Many of them are now opting for pastoral ministry positions in parishes and hospitals.

Relative to private donations other than those of the Religious Orders, Rio College has fared better than Plateau College as indicated in Table 1. In 1980 Rio College reached the million dollar mark in endowment, generating nearly two percent of its operating revenue. The growth in the endowment fund is attributed by one trustee to the long tenure of the president:

It takes time to raise a significant amount of money and cultivate friends for the college. His long term of office and his talent for fund raising have benefited the college tremendously.

Although fund raising has not been as successful at Plateau College, comments from trustees indicate that creating an endowment fund is a high priority of the current board. The following remark is typical:

It is essential that the college secure sources for creating an endowment. We will have to turn to the private sector to accomplish this goal. We need to get influential people involved.

Clearly, as donations from the orders are declining, board efforts are shifting to generating more funds from secular benefactors. This need has affected board structure by necessitating the addition of lay trustees, and by the reliance upon these new members for the development of fund raising efforts and sound fiscal policies.

Governmental sources of revenue have been looked to by private colleges and universities in recent years. Although the average proportions of revenue received from federal and state sources are about thirteen and two percent.
Table 1

Distribution of Current Funds Revenue Sources

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<tbody>
<tr>
<td>Tuition and fees</td>
<td>43.3%</td>
<td>48.4%</td>
<td>51.5%</td>
</tr>
<tr>
<td>Federal government</td>
<td>13.3%</td>
<td>19.6%</td>
<td>18.9%</td>
</tr>
<tr>
<td>State government</td>
<td>2.3%</td>
<td>1.2%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Local government</td>
<td>.5%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Private gifts</td>
<td>10.9%</td>
<td>5.6%</td>
<td>.8%</td>
</tr>
<tr>
<td>Endowment income</td>
<td>4.1%</td>
<td>1.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sales and services</td>
<td>22.2%</td>
<td>12.3%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Sale of assets</td>
<td>NA</td>
<td>2.3%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Other sources</td>
<td>3.4%</td>
<td>8.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
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</table>

respectively (see Table 1), the institutions studied received a much higher percent from the federal government (approximately nineteen percent) and somewhat less from state sources (about one percent). As a result of receiving federal funds through student grants and loans, Title III of the Higher Education Act of 1965 as "Developing Institutions", and low-cost construction loans available under the Higher Education Facilities Act of 1963, the colleges are obliged to follow federal guidelines related to affirmative action, equal opportunity, employment, and non-discrimination.

The addition of lay persons to the boards and ultimately giving them majority status, has proven to be of benefit to the two colleges by helping to satisfy government requirements in obtaining federal funds. If the governing bodies of these colleges are composed of a majority of lay trustees representing various religious denominations, the institutions can hardly be labeled pervasively sectarian, a charge which has caused some church-related colleges to come under scrutiny by the federal government.

Financial support of private colleges meets far more obstacles on the state level than at the federal level due to explicit prohibitions of state constitutions. Rio and Plateau Colleges are subject to state constitutional provisions which prohibit public appropriations to institutions "not under the absolute control of the state", prohibit public assistance to private corporations, and prohibit the use of "funds appropriated, levied or collected for educational purposes...for the support of any sectarian, denominational or private school, college or university". Despite these prohibitions, minimal state aid has been available to students attending these private colleges through state sponsored student loan programs, student
incentive grants which derive assistance from both the state and federal governments, and state payment to out-of-state private colleges under the Western Interstate Commission for Higher Education (WICHE) student exchange program.

Examinations of board minutes and discussions with trustees reveal a shift in trustees' positions over the last decade in regard to governmental funding for private colleges. This shift is evident from the amount of time devoted to this issue, and from an apparent redirection from a laissez-faire attitude to one of determination to pursue all avenues for increasing state support for private higher education.

The sale and lease of property has become an additional source of revenue for private colleges in recent years. Presently both colleges under study have lease agreements with private corporations or government agencies to contract their unnecessary dormitory facilities and other excess space. As resident populations waned in the 1970's, board minutes at both colleges indicated a shift in policy toward generating revenue by renting unused facilities. Moreover, the board of Rio College has been engaged in a ten-year period of negotiating the sale of several parcels of real estate, while the Religious Order of Plateau has indicated its strong interest in selling part or all of its property to the state or a private enterprise during the past four years in its effort to relinquish control and operation of the college.

The impacts of a decreased reliance upon the Religious Orders for revenue, while increasing levels of support through governmental sources and the sale or lease of institutional assets, upon board compositions are clear. Shifts in funding sources resulted in the addition of lay persons
to provide the boards with expertise in fund raising and real estate management, and to satisfy governmental regulations.

Values and Secularization

While it is to be expected that individuals and various groups of persons within an organization may hold diverse and even contradictory values, it is imperative that at the governance level some clear statement of institutional value systems be evident. Kelly expresses the importance of this concept for church-related institutions:

The inability of Catholic colleges and universities to define their institutional governance and policy with some precision clouds the status of private higher education in the formation of public policy. This could be an important factor in the future of college and university education in the United States.

The shifting values evident in the Catholic colleges in this study are but reflections of the changes which have occurred in the Church itself. The call of the Second Vatican Council in 1965 for broader participation by the lay members of the church, in concert with the difficulty of Religious Orders to supply the needed personnel to match the growth in student bodies during the 1960's and 1970's, led to a dramatic increase in the number of lay instructors in higher education. Moreover, Religious Orders themselves have experienced severe internal strains and identity crises during this period of renewal in the Church. Changes in Church attitudes and policy, and in individual's and Religious Orders' values and priorities, have had ramifications for the governance of the institutions they support.

Trustees' perceptions of church-related values projected by the institutions studied indicate that the governing boards of both colleges believe that a general ecumenical Christian image is and should be projected.
Nevertheless, the respondents from Rio College believe the Roman Catholic or Christian image is more apparent than do those at Plateau College (82% and 70%, respectively).

Consistent with this view of the colleges' images, each board has approved a revised mission statement within the last few years, attempting to clarify goals of the institution as well as the status of the college in relation to the Church. These updated statements, highlighting the strong programs and diverse populations served within a Christian environment, reveal a shift from earlier descriptions of the colleges, which stressed the strong bonds with the Roman Catholic Church and sponsoring Religious Orders.

Policies of the respective boards and other indicators of value shifts reflect the trend toward secularization: reduction in the number of religion courses needed for graduation; elimination of mandatory chapel attendance; changes in names of the Colleges from clearly religious to secular names; addition of ecumenical courses to the religion studies curriculum, in some cases taught by Protestant and Jewish instructors; changes in the composition of boards, faculties and staffs resulting in lay majorities (not necessarily members of the Catholic religion) in the governance, teaching and operation of the colleges; and the acceptance of federal and state financial assistance. Many other less important indicators could be included to demonstrate the shift toward secularization.

Further analysis of the trustees' attitudes toward the importance of various aspects of the campus life and college program in maintaining the current mission reveal differences between the boards of the two colleges and among members of each board. Eighty-six percent of the trustees at
Rio College believe the withdrawal of Religious Order members from teaching and administrative roles would drastically or greatly affect the institution's mission; in contrast, only thirty-seven percent of Plateau College trustees believe this to be the case, while an additional thirty-seven percent believe there would be little or no effect. This finding is reflective of the greater dependence upon the Religious Order at Rio College, where twenty-two members of the Order are housed on campus and are involved in the college operation. In comparison, only four members of the Order continue to be involved in the operation of Plateau College, none of whom reside on campus.

Similarly, trustees at Rio College indicated a stronger tie between the mission of the College and both the teaching of courses in religion and the presence of campus ministry organization than did trustees of Plateau College.

As indicated previously, both boards are composed of individuals of various religious faiths, and each is currently chaired by a non-Catholic trustee. When interviewed regarding this phenomenon, one non-Catholic trustee commented:

The mission statement refers to the college as a Christian institution; why deny it? The college has a historical tie with the [Religious Order]; why destroy this image? We need those traditional ties. I subscribe to the ideals and values of the college and will work toward their implementation.

The consensus among trustees of both colleges seems to be that the religion of a trustee is not in itself an important criterion for membership, but rather the commitment of the trustee to the values and goals of the institutions is the top priority. By not restricting the religious ties of
trustees, the colleges have had the freedom to select the best available business and professional lay persons to enhance the boards. Nevertheless, the addition of these individuals has resulted in a diversification of formerly unified value structures.

In sum, the many indicators of shifts in value structures, and the manifestations of these shifts in policies and the operation of the colleges, point toward continuing secularization. On a continuum of church relationship, Rio College emerges as a Christian college which has maintained closer ties with the founding Religious Order. Plateau College, on the other hand, maintains a Christian image, yet appears to have shifted further toward total secularization, a likely condition in the future given the proposal to completely sever from the Religious Order. This degree of church relationship might be depicted as follows:

<table>
<thead>
<tr>
<th>Total Church Relationship (sectarian)</th>
<th>Mixed Church Relationship (ecumenical)</th>
<th>Total Secularization (independent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rio College</td>
<td>Plateau College</td>
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In assessing degrees of church relationship, Cuninggim observes that the position of a college on such a continuum is not fixed; yet, movement over time generally occurs from left to right, rarely returning to total sectarianism. Essentially, this movement has been observed in these two colleges, with Plateau College exhibiting a greater and faster shift toward total secularization.
"THE POLITICAL PROCESS: SHAPING A RESPONSE"

As the major factors which have affected shifts in governance at the two colleges were studied, it became apparent that an underlying political process played a critical role in the development of responses to demands for changed policy direction. Discussions with trustees and examinations of documents identified internal and external political activities which clearly involved "the authoritative allocation of values for a society."19

The involvement of Rio College in the proposed establishment of a consortium of private and public educational institutions, for example, has placed the governing board in an external political arena at the state level. Realizing the importance of maintaining the college's interest in higher education in the community for sheer survival, the board has urged trustees, administrators and faculty to "...in a planned, premeditated manner, become more visible, not only in [the capital] but throughout the state. Special efforts should be made to meet and visit with elected officials of the state, particularly with legislators."20

Both institutions became embroiled in the state legislative arena, advocating tuition tax equalization policies for families of students attending private colleges. Minimizing the distinction between public and private higher education, the president of Plateau College argued in a letter to the editor of a local newspaper:

The education provided by the independent colleges of [the state] is public education. These schools are open to the public, serve public needs and are sensitive to the public interest. The only valid distinction is between privately sponsored public education and publicly sponsored public education.
Internal political activity has manifested itself most dramatically through faculty unionization at Plateau College. The faculty member who currently serves on the board of the college indicated that a serious move toward unionization began when the Religious Order decided to close the college in 1979 and awarded all faculty terminal contracts. Although the decision was later rescinded, the faculty looked elsewhere for assistance and security. The board and administration objected to unionization on the grounds that faculty shared in the governance and operation of the college. In 1981 the National Labor Relations Board ruled that the faculty were "managerial" personnel, similar to those of Yeshiva University, and thus decertified the union as a bargaining agent.

This sampling of governance issues indicates that the two colleges have indeed entered the political arena and engage in political processes to shape responses to conditions imposed externally and internally. While the allocation of state resources has brought the colleges into the legislative arena to protect their interests, the internal allocation of funds and the protection of faculty rights have forced the boards to engage in political processes closer to home. Involvement in the political process has led both boards to expand their membership to add lay trustees who not only brought legal, political and financial expertise, but also established ties with the external political environment.

TOWARD THE DEVELOPMENT OF THEORY ON GOVERNANCE AND CONTROL

The literature on governance and control of private church-related colleges and universities reinforces the findings of this study. The primary mission, programs, and operation of many institutions associated with Religious
Orders have evolved from highly structured sectarian to more secularized orientations during the past two decades. This movement toward lay control and secularization has characterized the recent history of Notre Dame University, St. Louis University, the University of San Francisco and Webster College, as well as that of the colleges focused on in this study. On the other end of the spectrum in several institutions (e.g., Oral Roberts University) where value shifts have not occurred, or where funding sources and ownership patterns have remained relatively stable, dramatic shifts in overall governance structures have not been evident. The degree to which shifts in governance occur in church-related institutions thus appears to vary greatly among colleges; the purpose of this study has been to develop several propositions to help understand the underlying factors involved in governance patterns.

Documents, interviews and responses to questionnaires analyzed in this study suggest that transitions in governance and control in a church-related college are influenced primarily by shifts in value orientations, while the formation of responses to these shifts is primarily a political process, dependent upon the ownership of and sources of funding for the institution. This conclusion, formed from the analysis of available data and realizations from the literature, points to the generation of grounded theory in the governance and control of private church-related colleges and universities. The following culminating thesis and several related propositions lay the basis for future research to substantiate these "hypotheses".
This culminating thesis is proposed to further the understanding of the evolution of governance and control:

Shifts in governance and control in private church-related higher educational institutions are influenced by shifts in institutional value structures. The conditions of ownership and funding sources determine, in part, the shape of the political responses of the institution to the value shifts.

Several propositions might be drawn from the observation that both the number and proportion of lay relative to Religious Order members have increased in these and many other church-related colleges since the early 1960's. As religious order domination declined, the Orders were reported to have had less input into managerial decisions. Moreover, as their control of the governance shifted, so did their role in teaching, administration and other functions in the operation of the colleges. Other writers substantiate that the decline of religious order members in higher education is a universal phenomenon. 23 Thus, it is proposed that:

(1) As the ratio of religious to lay members on the board decreases, the less the control the Religious Order exerts on college policy; and

(2) As the ratio of Religious Order members decreases in administrative, faculty and staff positions, the less control the Order maintains over college policy.

Lay members were added to the boards originally to provide professional and financial expertise which was not available to boards composed exclusively of Religious Order members, a finding which is echoed by other researchers. 24 Not only is a board's expertise enhanced by the addition of lay members, but
the value positions expressed within the expanded board are diversified. These observations might be expressed:

(3) As lay trustees are added to boards composed of Religious Order members, a wider diversity of experience and professional expertise is obtained; and

(4) As lay trustees are added to boards composed of Religious Order members, a greater diversity of values is manifested by the board.

Value orientations exhibited by boards with diverse memberships are reflected in the goals and operation of institutions by such changes as those modifications in mission statements, curricular offerings, characteristics of faculty and staff; relationships with Religious Orders, and names of the colleges noted in this study. Value shifts in these and other colleges have been in the direction of greater secularization. Moreover, the shifts in the two colleges investigated reflect changes which were occurring in the society at large and the Roman Catholic Church during the past several decades. These observations lead to the following statements:

(5) When shifts in values occur in society at large and in institutional church structures, these changes are reflected in value shifts in church-related educational institutions; and

(6) When governing boards reflect value shifts in institutional policy, the effects of these shifts impact all segments of the college community, including faculty, staff, students, alumni, and Religious Orders.

Several observations emerge from the data on ownership as a factor related to shifts in governance and control at the two colleges. The differing models of ownership affect the managerial control of the colleges. At Rio College, ownership is vested with the college corporation; at Plateau College title to the land and facilities is held by the province of the
Religious Order. Since the corporation which holds title to institutional land and buildings, whether the board is composed predominately of religious or lay members, has ultimate financial responsibility for the institution, the following variants in ownership and control emerge:

(7) When a Religious Order is vested with ownership of an institution, the Order maintains ultimate control over institutional policy; and

(8) When an institutional board is vested with ownership of a college associated with a Religious Order, the Order loses ultimate control over policy as religious members decline in board membership.

Interviews with presidents of both institutions and the superiors of the respective Religious Orders highlighted several observations regarding contributions and services rendered to the institutions by the Orders. An important source of revenue for the colleges in their early years of development, these contributions declined in recent years and are continuing to dwindle. Shifts to minority status of Religious Order members in the control and operation of the institutions have resulted in decreasing financial contributions by the Orders. As a result, the boards have sought other sources of funding to a greater degree. Trustees have tended to increase revenue through higher tuition, greater government subsidies and increased private gifts. Board composition has also shifted to include members with expertise and ability to raise funds in these areas. These observations may be stated thus:

(9) As board composition shifts in private colleges, the change in membership is reflective of the funding sources available to the institutions.
Consistent with efforts across the nation by private higher education to obtain some form of tuition equalization, officials at both colleges studied have increased efforts in recent years to seek state funding assistance for students. Findings of this investigation show that recent attempts for increased state assistance for students attending these colleges parallel similar directions taken by other colleges in various states.

It was reported by those interviewed that all members of the college communities sought aggressive means for having input into board decisions at times of decreasing enrollment and revenue, particularly during the threat of closure of Plateau College. These observations regarding funding sources might be stated:

(10) The greater the financial crisis, the more aggressive and involved the board becomes in institutional governance and in seeking new means of generating revenue; and

(11) The greater the financial crisis, the more involved personnel and students become in institutional governance.

As stated previously, conditions of ownership and funding sources are closely tied to the formation of responses to institutional value shifts. Involvement in a political process emerges most dramatically in attempts to obtain funds from state and federal governments, an obvious value shift for institutions once totally reliant on contributed services of Religious Orders, other private gifts and grants, and students themselves. Comments made by board members give every indication of a willingness to take necessary steps to secure solid political backing from state legislators and agencies to obtain greater governmental support. Moreover, presidents and other school officials have been urged to become more visible in
political activities. These observations, consistent with positions taken by other researchers, lead to the following proposition:

(12) As sources of revenue dwindle, private institutions seek greater political support and backing at all levels of government.

**RECOMMENDATIONS FOR POLICY DEVELOPMENT**

In developing policy for governance and control in future years, a college board of trustees must be cognizant of the importance of value structures, ownership and funding sources. The investigation of governance shifts in church-related colleges leads to the identification of several recommendations for policy development related to the culminating thesis and propositions presented previously. While particularly applicable to these two colleges, these recommendations would seem pertinent, at least in part, to boards of similar institutions in the United States.

Like many similar institutions in the country, the two church-related colleges studied are fighting to maintain their status as independent institutions. Of the 141 independent colleges which closed between 1970 and 1979, seventy-eight (55%) were church-related. These statistics bring forth the great jeopardy in which private church-related colleges find themselves in the 1980's.

The importance of the consideration of values by a board of trustees cannot be overstated. A fundamental distinction in policy development between these two colleges is in their responses to the value of church relationship. Clearly, one board of trustees determined its church-relatedness
was a liability, while the other deemed it to be an asset. Plateau College is in the process of severing all ties with the Church and shifting ownership and control to an independent lay board; Rio College, on the other hand, intends to maintain strong ties with the founding Religious Order. Two recommendations arise from a consideration of values as related to governance of church-related colleges:

(1) Candidates for board membership should be screened to determine if their values are harmonious with those espoused by the institution; and

(2) Board members should understand the values of the religion and the Religious Order associated with the church-related college.

Once the value structures are understood and the degree of relationship with the Church has been established, a board of trustees must examine other aspects of management and operation essential to effective development of policy for the college. The basic mission as well as particular program and course offerings must be re-examined in light of those values and the financial condition of the institution. Both Plateau and Rio Colleges have been surveying their curricular offerings to determine the feasibility of continuing to provide the current breadth of programs. Realizing the difficulty of duplicating services offered by other nearby institutions, they are seeking to articulate their efforts with other colleges in the geographic area of the Southwest. While Plateau College is investigating the possibility of pooling resources with four or five other neighboring colleges, Rio is mounting a serious campaign to form a College Park in consortium with two state-supported institutions. To what degree these
these programmatic shifts will affect the mission and governance of each institution, and the attainment of the stated goals of each, is not yet clear.

Not only must board members be involved in critical decisions involving mission and programs, but input from others in the campus community should be sought. The following recommendations related to planning and decision-making arise from the analysis of governance at these institutions:

(3) Newly appointed trustees should receive orientation on the nature and responsibilities of board membership of a private church-related college:

(4) Shifts in board membership and governance policies should be planned rather than a reaction to crises which arise; and

(5) Input should be obtained from as many segments of the college community as possible before important policy decisions are implemented.

Board members must consider possible ramifications for policy control in private colleges when pursuing increased funding from federal and state governments. While the boards continue to seek increased state assistance for students attending Rio and Plateau colleges, substantially increased aid to private institutions appears to be politically untenable at the present time. Implications of accepting increased federal and state support for these and other private colleges in terms of governance and control, when and if such an event occurs, have not yet been fully determined.
The following final recommendation arises from a consideration of funding sources and external political activity with which boards of private colleges are becoming increasingly involved:

(6) Boards of private colleges should continue to seek the means of maintaining governmental support at all levels, and aggressively search for ways to obtain increased funding for students, provided that acceptance of these funds does not interfere with primary missions and goals of the institutions.

Although no claim is made that these recommendations are exhaustive, these six statements seem to be of paramount importance for the continued survival of the two institutions under study. Moreover, these recommendations appear to be general enough to be applied to other church-related colleges and universities. The extent to which these recommendations would be applicable to other institutions, of course, depends on the extent to which governance shifts have occurred or potentially might occur.
The research reported in this paper was based upon C. J. Fioke, "Factors Contributing to Shifting Governance and Control of Independent Colleges" (Ph.D. Dissertation, University of New Mexico, 1981).


15 For a discussion of substantial legal issues raised by governmental aid to church-related colleges, see A.E.D. Howard, State Aid to Private Higher Education (Charlottesville, VA: Michie, 1977).


22 Glaser and Strauss, The Discovery of Grounded Theory.

23 This conclusion is based upon Greeley, The Changing Catholic College; Power, Catholic Higher Education in America; and T. Hesburgh, The Hesburgh Papers (Kansas City: Andrews & McNeel, 1979).


See Howard, *State Aid to Private Higher Education*, for the status of the private sector in attempts to gain state funding in each of the fifty states.
