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**ABSTRACT**

In 1994 the state of New Jersey deregulated the state higher education structure and created a new commission on higher education and a presidents' council. This report presents the findings of a 1998 survey that sought to determine the extent to which the goals of the deregulatory legislation had been achieved and whether the fears of the act's opponents had come to fruition. Respondents, who included state college and university presidents, chairs of governing boards, faculty leaders, state legislators, and leaders of various advocacy groups, were asked to comment on two sets of questions. The first asked about deregulation, the ability of institutions to meet their missions, opportunities for innovation and new degree programs, and increased fiscal flexibility. The second set of questions sought responses to fears expressed by the act's opponents. Although the survey indicated a high level of satisfaction among most respondents with most aspects of the restructuring act, a partisan split remains. Nearly three-quarters of those who supported passage of the legislation (mostly legislators, presidents and governing boards) see it as having benefitted higher education in the state. However, a second group, dominated by faculty leaders who feel they have less of a voice, remain skeptical about the new structure. (Contains 29 references.) (CH)

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The Outcomes of New Jersey's Higher Education Restructuring Act of 1994

Prepared for Presentation at the 1998 ASHE Annual Meeting
Miami, FL, November 1998

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This paper was presented at the annual meeting of the Association for the Study of Higher Education held in Miami, Florida, November 5-8, 1998. This paper was reviewed by ASHE and was judged to be of high quality and of interest to others concerned with higher education. It has therefore been selected to be included in the ERIC collection of ASHE conference papers.
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(DO NOT CITE WITHOUT PERMISSION OF AUTHORS)

Background

As states expanded their higher education systems to accommodate the demand prompted by the GI Bill and the post-World War II baby boom, they established state-level boards, councils, commissions, or agencies to manage the growth and oversee the activity of the institutions. By 1972, such entities were found in 47 states. Some were granted governing authority, others coordinating authority; some were hybrids. The rationale for their creation and range of authority, along with the analysis of their role and effect on higher education, has been ably chronicled by Glenny (1959), Berdahl (1971), and Millett (1984).

Looming in the political background is always the possibility that elected officials will seek to change the state's higher education governance pattern, so that public policy responses to changing conditions might be better met. Indeed, as charted by McGuinness (1994) and Marcus (1997), coupling and uncoupling of public institutions under common governing boards and shifts between governing and coordinating roles for the state-level entity are not uncommon.

1 Marcus was Assistant Chancellor for Academic and Fiscal Affairs in the New Jersey Department of Higher Education at the time that the state's higher education governance and coordination structure was changed.
Hearn and Griswold (1994) found that, while the decision on whether the state-level entity has
governing or coordinating authority is a factor of local history, there is an inevitable movement
toward formal state-level governance arrangements. Indeed, MacTaggart (1998) posits that the
national trend has been in the direction of increased regulation. Sabloff’s (1997) study of higher
education policy in Pennsylvania concluded that this trend would not likely abate due to the
politics that result from the professionalization of legislatures.

New Jersey presents an interesting counter to the trend toward more formal
arrangements. Its 1986 State College Autonomy Act, which was supported by the statewide
Board of Higher Education (BHE) at the time one of the most powerful coordinating boards in
the nation, gave the individual boards of trustees of the nine state colleges substantial fiscal and
operational autonomy. In keeping with the spirit of the statute, the BHE also deregulated in
areas such as admissions standards and general education. The new regulatory structure proved
beneficial to the state colleges in terms of trustee and administrative effectiveness, academic
quality, and institutional reputation (Marcus, Pratt, and Stevens, 1997). According to Greer
(1998), it also set the stage for a more comprehensive deregulation of higher education, both
public and independent, in the state.

On March 15, 1994, as part of her budget message, Governor Christine Todd Whitman,
whose platform of tax cuts and reduction in the size of government brought her an unexpected,
though narrow victory over the incumbent Democrat governor, shocked the state’s higher
education community by proposing the elimination of the Board and Department of Higher
Education. She indicated her belief that there were "overlapping and redundant governance
responsibilities that exacerbate tensions over final authority" between the BHE, which had been created to oversee the expansion of the state's higher education system nearly 30 years earlier, and the boards of trustees of the colleges and universities. She felt that the result was "dysfunctional policy and unclear responsibility for accomplishing policy," and that innovation was inhibited (State of New Jersey, 1994, p3).

Under the Governor's plan, institutional governing boards would have increased responsibility and accountability for institutionally-developed performance standards, and would engage in voluntary coordination and self-regulation for such matters as the establishment of new degree programs. Instead of the current central structure, she proposed a gubernatorial advisory commission that would have no administrative or regulatory role, but would make recommendations to the governor concerning "long-range vision for higher education under the Governor's leadership" (State of New Jersey, 1994, p3). This new statewide governance and coordination approach would take effect on July 1, a scant three and one-half months away.

The Whitman proposal was surprising to many for several reasons. First, higher education had not been an issue in the November election. Second, Whitman's higher education transition team had not recommended any dramatic change in state-level structure. Third, a shift from coordination through a strong, regulatory board to a free market approach seemed at odds with New Jersey history (Leone, 1994). Finally, as McGuinness (1995) has pointed out, even though relations between state higher education boards and institutions, as well as between state higher education boards and elected officials, have often been rocky, it is rare for a state board to be eliminated.
The proposal was met with mixed response. Most of the power structure at the campus level favored the proposal. Proponents of smaller government and deregulation, including some in the corporate sector, also announced their support. Joining the BHE and its Chancellor in opposition to the plan were faculty and staff unions, student leaders, advocacy groups such as the NAACP, and faculty and staff groups that had benefited from or supported past BHE efforts. (For example, a letter to the governor, dated April 18, 1994, was signed by 714 faculty and staff citing the positive role that the BHE and its staff had played in promoting curricular reform, gender equity, academic freedom, and access for educationally and economically disadvantaged students.) While some leading newspapers supported the plan (Morristown Daily Record, 1994), many published critical editorials, either for substantive reasons or based on the speed with which the plan was to be implemented. (Asbury Park Press, 1994; Bergen Record, 1994; Bridgewater Courier-News, 1994; Camden Courier-Post, 1994; Jersey Journal, 1994; Newark Star Ledger, 1994; Philadelphia Inquirer, 1994). In fact the Star Ledger, the state's largest and most influential paper, was so out-front in its opposition to the plan that one commentator observed how "very un-Ledger like" it was for the paper to attack a sitting governor by publishing news accounts, commentaries, and editorials "three or four times a week, and twice on Sundays" (Aron, 1994, p. 42).

Two weeks after her initial announcement and in response to the criticism regarding process issues, Governor Whitman established a 15-member Advisory Panel on Higher Education Restructuring to develop legislation that would eliminate the Department of Higher Education, establish a commission on higher education with responsibility for long-range
planning, establish a council of the presidents of all public and independent colleges to coordinate programs, and provide for maximum autonomy at the institutional level. Additionally, the legislation needed to assure the affordability and accessibility of higher education, keep political influence out of the decision-making processes affecting the colleges and universities, and avoid administrative overlap and duplication. The panel was given a month to accomplish its charge (Whitman, 1994).

On May 5, the advisory panel, which was chaired by a Rutgers' dean, recommended the creation of a New Jersey Commission on Higher Education (CHE) and a Presidents' Council (PC) to replace the former state coordinating structure. Departing somewhat from the Governor's original plan, the advisory panel suggested that the CHE have some formal administrative and regulatory functions, including making final decisions regarding institutional licensure, making final determinations on academic programs that go beyond an institution's traditional mission, assuming responsibility for the program that supports the accessibility of educationally and economically disadvantaged students to New Jersey colleges and universities (though not to have purview over the general financial aid programs), providing institutional research and public information, and administering certain capital programs. Rather than report directly to the governor, the CHE would be located within the Department of State, though not subject to the Secretary of State's authority. The advisory panel also suggested that rather than have a voluntary coordination role as originally envisioned by the Governor, the PC have more formal responsibilities in certain areas including advising the CHE (Governor's Advisory Panel, 1994).
As the subsequent legislation wended its way through the Legislature, a few changes were made to the plan as submitted by the advisory panel. Among the changes were a process to protect against duplication in expensive degree programs, a requirement that the PC address the issue of the transferability of credits between the two- and four-year public institutions, a requirement public colleges and universities to hold public hearings before raising tuition, and the provision of student membership on the CHE. On June 16, legislative approval, divided strictly along partisan lines, was secured (Braun, 1994). [See McGuinness (1995) for a side-by-side comparison of the statutory responsibilities of the previous BHE and the current CHE and PC.]

The new structure is less the purely advisory and voluntary model originally proposed by Governor Whitman and closer to the advisory coordinating board model described by McGuinness (1994). For example, while the CHE is required to develop and maintain a comprehensive statewide master plan, its limited regulatory reach and lack of budget authority appear to restrict its ability to coordinate the system toward achievement of the plan. Callan, Bracco, and Richardson (1998) include New Jersey as an example of the federal model that they and others elaborated in an earlier work (Bowen et al, 1997). The new statute decentralized authority to boards of trustees in many important regards, but left a state-level presence in some areas of coordination. For example, the institutions can mount new degree programs simply by advising the higher education community of their intentions, as long as the PC determines that the program is within the institution's programmatic mission (which is defined as degree-level authority) and does not require significant added resources or raise significant issues of
duplication. Any matter that can not be resolved by the PC, as well as all requests to exceed or change programmatic mission, are referred to the CHE.

Advocates of the restructuring act were delighted with its deregulatory intent. They argued that the ability of each institution to set and achieve its own mission would be enhanced by virtue of the increase in responsibility, programmatically and fiscally, by the institution's governing board. They believed that since the college and university presidents would not need to spend as much time satisfying authorities in Trenton, each would be able to focus more on campus concerns and would be able to foster more local innovation leading to new degree programs and other new approaches that could be more easily implemented. At the same time, they supported the increased ability for each institution to advocate its fiscal and capital needs directly to the Governor and Legislature. Finally, they saw the new statute as a vehicle for better institutional accountability.

Opponents were concerned that advocacy for the higher education in general would be diminished, and that the public interest would decline in priority compared to institutional interest; further, that it would be difficult to discern how well the public interest was being served because statewide policy research activities would be diminished. They also feared that increased politicization would result if the buffer provided by the BHE between the public institution governing boards and the partisan political apparatus were to disappear. Along similar lines, they hypothesized that the politically stronger institutions would receive disproportionately favorable treatment, particularly with the budget. (Such eventualities would be in keeping with Bowen et al's [1997] finding that the type of governance arrangement in a state affects how
elected officials seek to exert their influence toward the realization of their policy concerns and how institutions interact with government officials. In confederated institution designs such as New Jersey's, there is greater direct contact between institutions and elected officials.)

Opponents also feared that a likely proliferation of degree programs would ultimately weaken program quality; indeed, that there would no longer be a state-level watchdog regarding academic standards. Importantly, they were concerned about the effect of the new statute on certain students: that community college graduates transferring to four year public colleges and universities would face increased difficulties in transferring credits earned at the community college; that there would be less attention paid to minority student enrollment, retention, and graduation; and that the Educational Opportunity Fund (EOF), which supports financially and educationally disadvantaged students would be reduced in level of priority. Further, union members voiced concern that efforts would be initiated to "bust" faculty/professional staff unions or to weaken the protections garnered under the old system.

Research on Initial Implementation of the New Structure

In accordance with the requirements of the restructuring act, the Commission on Higher Education (1996) prepared an interim report on the implementation of the new structure. It found that the transition was proceeding smoothly. Of the 85 implementation tasks assigned to it, other state agencies and the PC, 67 were completed or in process, while 18 were still in the planning stage. Additionally, it reported that the institutions had met their responsibilities in submitting their first institutional accountability reports during fall 1995, and the CHE had produced its first system-wide accountability report the following spring. Also, 73 new degree
programs had been authorized, 23 at the associate's level, 18 at the baccalaureate level, 31 at the master's level, and one at the doctoral level; none were found by the PC to require significant resources allocations of to be unduly duplicative. The PC had referred only one program to the CHE, the one for the doctoral program since it exceeded the proposing institution's programmatic mission.

With the assistance of the Eagleton Institute of Politics at Rutgers University, the CHE surveyed members of the major constituencies within the higher education community. The survey, whose response rate was 44%, revealed that many were reserving judgment about the effectiveness of the new structure. Administrators were more consistently positive than were faculty and students; members of the CHE were the most positive. Those in the community colleges and state colleges/universities, the two groups most affected by the restructuring, were more favorable than those in the public research universities and the independent sector. Of the 13 conditions that were rated, the three that had the most frequent responses that conditions were better than under the old structure were: institutional flexibility in establishing new degree programs (70%); institutional governing board decision making (47%); and institutional accountability (38%). The three that were most frequently cited as being worse than before were: affordability of higher education (32%); statewide coordination of academic programming (23%); and the trustee appointment process (19%). When asked whether the new structure should be modified, 30 percent replied in the affirmative, 11 percent in the negative, and 59 percent indicated that it was too soon to tell. The response pattern to this question was similar to that reported above concerning satisfaction with the new structure, as 56 percent of the
respondents from the public research universities, 44 percent of the faculty, and 43 percent of the students thought that modification of the current structure should be undertaken.

The CHE reported that four areas received less than favorable ratings from approximately one-fifth of the respondents: advocacy and system-wide coordination; the availability of information on higher education; statewide coordination of academic programming and adequacy of their review; and the speed of trustee appointments. It indicated that these areas should become priorities of the CHE and PC.

The Study

In late May 1998, approximately four years after the enactment of the restructuring act and two years after the CHE's *Interim Report*, we conducted a mail survey of New Jersey college and university presidents, chairs of the governing boards of the public institutions, faculty leaders (senate and union presidents), EOF directors, members of the leadership and Education Committees of the New Jersey State Legislature, and leaders of the various higher education advocacy groups. Responses were anonymous. A month after the initial mailing, a written follow-up request was made to those who had not returned a reply postcard that stated that they had responded to the survey. The total sample size, as displayed in Table 1, was 262. We received 105 completed surveys, a response rate of 40.1 percent (similar to that received by the CHE two years earlier). Presidents and trustees represent 40 percent of the sample. Faculty and staff represent 35.2 percent. External parties (legislators and lobbyists) represent 23.8 percent.
Responses from the community college sector comprise one-third of the sample, while independent colleges and universities (including proprietary institutions) represent 21 percent, state colleges/universities 14.3 percent, and public research universities (i.e., the New Jersey Institute of Technology, Rutgers University, and the University of Medicine and Dentistry of NJ) 7.6 percent. Advocacy association staff comprise 3.8 percent of the sample, while Legislators comprise one-fifth. (The separately submitted reply postcards indicate that all but a few of the legislative respondents were Republican.)

Table 1
Sample by Position

<table>
<thead>
<tr>
<th>Group</th>
<th>Total</th>
<th>Replied</th>
<th>% Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocacy Group Staff</td>
<td>4</td>
<td>4</td>
<td>100.0</td>
</tr>
<tr>
<td>EOF Directors</td>
<td>51</td>
<td>16</td>
<td>31.4</td>
</tr>
<tr>
<td>Faculty Leaders</td>
<td>61</td>
<td>21</td>
<td>34.4</td>
</tr>
<tr>
<td>Governing Board Chairs (public institutions)</td>
<td>31</td>
<td>11</td>
<td>35.5</td>
</tr>
<tr>
<td>Legislators</td>
<td>59</td>
<td>21</td>
<td>35.6</td>
</tr>
<tr>
<td>Presidents</td>
<td>56</td>
<td>31</td>
<td>55.4</td>
</tr>
<tr>
<td>Did not report affiliation</td>
<td>N/A</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>262</td>
<td>105</td>
<td>40.1</td>
</tr>
</tbody>
</table>

Respondents were asked to comment both on the extent to which the goals of the deregulatory legislation were achieved and whether the fears of the act's opponents had come to fruition. There were ten questions in the first group. They concerned the following goals:

- Deregulation of the colleges/universities by state government
- Increased the ability of each institution to set and to achieve its own mission
- Increased authority at the level of the institution's governing board
- Increased the ability of the president to be responsive to campus concerns
- Greater ability for innovation
Greater opportunity to add new degree programs
Increased institutional accountability
Increased collaboration among New Jersey's colleges and universities
Increased the ability to advocate the institution's fiscal and capital needs to the Governor and Legislature
Increased fiscal flexibility

In the second group were 11 questions concerning the fears that:

- Advocacy for New Jersey higher education as a whole would be diminished.
- The public interest would decline in priority compared to institutional interest.
- The politically stronger institutions would receive disproportionately favorable budget treatment.
- The buffer between public institution governing boards and the partisan political apparatus would erode.
- There would be a proliferation of degree programs.
- Community college students transferring to four year public colleges and universities would face increased difficulties in transferring credits earned at the community college.
- There would be less attention to minority student enrollment, retention, and graduation.
- The Educational Opportunity Fund Program would be reduced in level of priority.
- There would be no state-level watchdog regarding academic standards.
- Efforts would be initiated to "bust" or to diminish the power of faculty/professional staff unions.
- Statewide policy research activities would be diminished.

In each instance, the respondent was asked whether the goal/fear had occurred "not at all," "somewhat," or "substantially;" another response category, "not sure," was also available.

The final two questions permitted open-ended responses: they focused on what the respondent believed to be the most positive and most troublesome outcomes(s) of the restructuring act. The responses to these two questions were grouped for analysis.

Findings

Has the New Structure Benefited Higher Education?

As indicated in Table 2, more than two of every five respondents reported that they thought that higher education in New Jersey had benefited from the new governance structure;
nearly 27 percent felt that no benefit had occurred, while nearly 28 percent were unsure. In the aggregate, these responses were similar to the proportions who said that they had supported the restructuring in 1994. Neither group appeared to change their perceptions over the four year period. The proportion of 1994 supporters who thought the new structure had proven beneficial (73.3 percent) was somewhat lower than the proportion of 1994 opponents who saw no benefit (82.1 percent). The shifts in both groups were primarily toward the "not sure." The majority both of those who held no opinion about the restructuring in 1994 and who were not affiliated with higher education in New Jersey at that time were unsure about the benefit (53.3 percent and 56.3 percent, respectively); less than one-third of each of these groups thought the new structure to be beneficial.

Looking at the data according to sector affiliation and position of respondent, a majority of legislators, county college respondents, presidents, and governing board chairs believed that the Restructuring Act had proven beneficial. Indeed, more than nine of every ten trustees thought so. At the other extreme were faculty leaders, more than 70 percent of whom thought that the legislation had not proven beneficial. Half of the respondents from the public research universities and nearly half from the state colleges/universities felt similarly. The majority of E.O.F. directors, half of the advocacy association respondents, and nearly half of those from the independent sector were still reserving their judgment.
Table 2
Has the New Structure Benefited Higher Education in New Jersey? (%)

<table>
<thead>
<tr>
<th>Respondent Group</th>
<th>Yes</th>
<th>No</th>
<th>Not Sure</th>
<th>No Opinion</th>
<th>N/R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocacy Association</td>
<td>25.0%</td>
<td>25.0%</td>
<td>50.0%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Community College</td>
<td>57.1</td>
<td>22.9</td>
<td>20.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Independent College/University</td>
<td>22.7</td>
<td>18.2</td>
<td>45.5</td>
<td>9.1</td>
<td>4.5</td>
</tr>
<tr>
<td>Legislature</td>
<td>52.4</td>
<td>19.0</td>
<td>23.8</td>
<td>0</td>
<td>4.8</td>
</tr>
<tr>
<td>Public Research University</td>
<td>12.5</td>
<td>50.0</td>
<td>37.5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>State College/University</td>
<td>40.0</td>
<td>46.7</td>
<td>13.3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>College/University Presidents</td>
<td>61.3</td>
<td>9.7</td>
<td>25.8</td>
<td>0</td>
<td>3.2</td>
</tr>
<tr>
<td>E.O.F. Directors</td>
<td>6.3</td>
<td>31.3</td>
<td>56.3</td>
<td>6.3</td>
<td>0</td>
</tr>
<tr>
<td>Faculty Leaders</td>
<td>4.8</td>
<td>71.4</td>
<td>19.0</td>
<td>4.8</td>
<td>0</td>
</tr>
<tr>
<td>Governing Board Chairs</td>
<td>90.9</td>
<td>0</td>
<td>9.1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Supported Act in 1994</td>
<td>73.3</td>
<td>6.7</td>
<td>20.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Opposed Act in 1994</td>
<td>7.1</td>
<td>82.1</td>
<td>10.7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No Opinion re: Act in 1994</td>
<td>26.7</td>
<td>6.7</td>
<td>53.3</td>
<td>13.3</td>
<td>0</td>
</tr>
<tr>
<td>Not Affiliated with Higher Ed in NJ in 1994</td>
<td>31.3</td>
<td>6.3</td>
<td>56.3</td>
<td>0</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41.9</strong></td>
<td><strong>26.7</strong></td>
<td><strong>27.6</strong></td>
<td><strong>1.9</strong></td>
<td><strong>1.9</strong></td>
</tr>
</tbody>
</table>
Extent to Which Restructuring Act Goals Have Been Accomplished

As displayed in Table 3, more than half of the respondents thought that four goals of the Restructuring Act had been substantially achieved: the establishment of increased authority at the governing board level, the increased ability of each institution to set and to achieve its own mission, the ability to add new degree programs, and the deregulation of the colleges by state government. When the proportions of those who believe that some progress had been made and substantial progress had been made are combined, all goals achieved the 50 percent threshold, with the perception of progress being made toward the deregulation goal surpassing the 90 percent level. On the other hand, at least one in five respondents saw no progress toward five goals: increased institutional accountability, increased ability to advocate the institution's fiscal and capital needs to the Governor and the Legislature, the president's ability to be responsive to campus concerns, increased fiscal flexibility, and increased collaboration among New Jersey colleges and universities.

Dissaggregating the data according to sector and position of respondent reveals differing perceptions. Legislators thought that the goals of the Restructuring Act had been substantially achieved in higher proportions than the other groups; they also registered the lowest proportion of "not at all" responses on six items. Trustee chairs proportionately had the fewest responses in the "not at all" category on nine of the ten goal questions; on seven of the questions, they had no responses in that category. Presidents also appeared to perceive substantial progress. On the other hand, faculty leaders were the least likely to conclude that the goals of the Restructuring Act had been achieved. Regarding seven of the ten goals, they had the lowest rate of response in

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2 We exclude the advocacy association staff from the analysis by position and sector affiliation since there were only four advocacy association respondents.
the "substantially achieved" category; on five of the goal questions, less than 10 percent felt that
the goal had been substantially achieved. In all but one instance, faculty leaders had the highest
rate of response in the "not at all" category; on five of the goal questions, half or more responded
in that category. Similarly, respondents from the public research universities and the
independent sector had low proportions believing that goals had been substantially achieved and
high proportions in the "not at all" category.

Table 3
Extent to Which Goals Have Been Accomplished (%)

<table>
<thead>
<tr>
<th>Goal</th>
<th>Not at all</th>
<th>Somewhat</th>
<th>Substantially</th>
<th>Not sure</th>
<th>No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deregulation</td>
<td>1.0</td>
<td>40.0</td>
<td>50.5</td>
<td>5.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Achieve institutional mission</td>
<td>5.7</td>
<td>36.2</td>
<td>51.4</td>
<td>3.8</td>
<td>2.9</td>
</tr>
<tr>
<td>Governing board authority</td>
<td>8.6</td>
<td>24.8</td>
<td>57.1</td>
<td>5.7</td>
<td>3.8</td>
</tr>
<tr>
<td>President's response to campus concerns</td>
<td>22.9</td>
<td>32.4</td>
<td>30.5</td>
<td>12.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Ability to innovate</td>
<td>15.2</td>
<td>35.2</td>
<td>41.9</td>
<td>5.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Ability to add new programs</td>
<td>7.6</td>
<td>35.2</td>
<td>50.5</td>
<td>4.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Increase accountability</td>
<td>33.3</td>
<td>38.1</td>
<td>15.2</td>
<td>11.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Inter-institutional collaboration</td>
<td>21.0</td>
<td>40.0</td>
<td>23.8</td>
<td>13.3</td>
<td>1.9</td>
</tr>
<tr>
<td>Ability to advocate</td>
<td>26.7</td>
<td>39.0</td>
<td>24.8</td>
<td>7.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Increase fiscal flexibility</td>
<td>21.0</td>
<td>44.8</td>
<td>17.1</td>
<td>15.2</td>
<td>1.9</td>
</tr>
</tbody>
</table>
Some interesting findings concerning specific questions include the following. Only 29 percent of legislators believed that the goal of deregulation had been substantially achieved. EOF directors tended were the least likely to believe that the goal of increasing the ability of the president to be responsive to campus concerns (18.8 percent) and increasing institutional accountability (0.0 percent) had been substantially achieved. College and university presidents and governing board chairs had different perceptions of the extent to which progress had been achieved regarding the increased roles/responsibilities envisioned for each. For example, 63.6 percent of governing board chairs believed substantial progress had been made in according them increased authority. However, only 35.5 percent of presidents believed that substantial progress had been made regarding their ability to be responsive to campus concerns. Regarding an area where both were to benefit -- the goal of increasing fiscal flexibility -- only 16.1 percent of presidents saw substantial progress compared to 45.5 percent of governing board chairs; similarly, 29.0 percent of presidents responded in the "not at all" category, compared to no trustees.

Extent to Which Fears Regarding the Restructuring Act Goals Have Occurred

As shown in Table 4, only three of the 11 fears were perceived by more than one in five respondents as having substantially occurred. Regarding the fear that advocacy for New Jersey higher education as a whole would be diminished 31.4 percent replied in that category, ranging from a low of 14.3 percent among legislators to a high of 75 percent among public research university respondents, and 43.8 percent among faculty leaders. Concerning the fear that there would be no state-level watchdog regarding academic standards (27.6 percent), legislators and governing board chairs (9.5 percent and 9.1 percent respectively) represented the low end of the
range, while the high end included faculty leaders (57.1 percent), public research university respondents (50 percent), and E.O.F. directors (50 percent). Regarding the fear that the public interest would decline in priority compared to institutional interest (21.0 percent), the responses in the "substantially occurred" category ranged from 0.0 percent (trustees) to 50 percent (public research universities).

Table 4
Extent to Which Fears Regarding the Restructuring Act Goals Have Occurred (%)

<table>
<thead>
<tr>
<th>Fear</th>
<th>Not at all</th>
<th>Somewhat</th>
<th>Substantially</th>
<th>Not sure</th>
<th>No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diminished advocacy</td>
<td>40.0%</td>
<td>19.0%</td>
<td>31.4%</td>
<td>7.6%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Reduction of public interest</td>
<td>41.9</td>
<td>19.0</td>
<td>21.0</td>
<td>14.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Favorable budgets for politically strong institutions</td>
<td>29.5</td>
<td>33.3</td>
<td>15.2</td>
<td>19.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Erosion of buffer</td>
<td>38.1</td>
<td>25.7</td>
<td>16.2</td>
<td>18.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Program proliferation</td>
<td>25.7</td>
<td>34.3</td>
<td>16.2</td>
<td>21.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Transfer difficulties</td>
<td>58.1</td>
<td>16.2</td>
<td>6.7</td>
<td>17.1</td>
<td>1.9</td>
</tr>
<tr>
<td>Less attention re: minority students</td>
<td>54.3</td>
<td>14.3</td>
<td>15.2</td>
<td>14.2</td>
<td>1.9</td>
</tr>
<tr>
<td>Lower EOF priority</td>
<td>46.7</td>
<td>20.0</td>
<td>7.6</td>
<td>21.9</td>
<td>3.8</td>
</tr>
<tr>
<td>No state-level watchdog re: standards</td>
<td>30.5</td>
<td>22.9</td>
<td>27.6</td>
<td>16.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Union busting</td>
<td>48.6</td>
<td>15.2</td>
<td>16.2</td>
<td>17.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Diminished policy research</td>
<td>36.2</td>
<td>15.2</td>
<td>13.3</td>
<td>33.3</td>
<td>1.9</td>
</tr>
</tbody>
</table>
At the other extreme, between 30 and 58 percent of the respondents indicated that there had been no occurrence of any of the respective fears; this compares to only one of the perceptions regarding goal accomplishment falling within the same range (and it fell at the bottom of it). However, using a means comparison of the "not sure" category as an indicator, more than twice as many respondents were reserving judgment about the extent to which the fears had occurred, compared to the extent to which the goals had been realized. The mean of the "not sure" responses to the ten goal questions was 8.56, while that of the 11 fears questions was 18.17; none of the "not sure" responses to the individual goal questions reached the mean for the fears questions, and only one of the "not sure" responses to the individual fears questions was below the mean for the goals questions.

Disaggregating the data regarding the occurrence of the fears by sector and position of the respondents reveals a similar pattern to that regarding satisfaction with the level of goal achievement. Governing board chairs, presidents, and legislators were the least likely to perceive an occurrence of the fears, while faculty leaders were the most likely. In fact, more than one-third of the latter saw seven fears as having substantially occurred; more than half believed that union busting efforts and the loss of a state-level academic standards watchdog had substantially occurred. The E.O.F. directors were the only other position-related group in which more than 30 percent registered concerns that a given fear had substantially occurred; they did so regarding six fears, the highest being the loss of a state-level watchdog regarding academic standards (50 percent), followed by concerns that less attention was being paid to minority student enrollment, retention, and graduation, and that E.O.F. had been reduced in level of priority (37.5 percent each).
Among the sector-related groups, more than 30 percent of state college/university respondents perceived five of the fears as having substantially occurred, while public research university respondents had similar assessments regarding three of the fears. The three fears in which both the state college/university and public research university respondents surpassed the 30 percent threshold concerned institutional interest taking precedence over the public interest (40 and 50 percent, respectively), the loss of a state-level watchdog regarding academic standards (33.3 and 50 percent, respectively), and the diminishment of advocacy for higher education as a whole (46.7 and 75 percent, respectively). On the watchdog question, community college respondents also surpassed the 30 percent threshold (31.4 percent), while on the advocacy question, the independent colleges/universities came close (27.3 percent).

Perceptions of the Most Positive and Most Troublesome Outcomes of Restructuring

The survey included two open-ended questions: "What do you believe to be the most positive outcome(s) of the 1994 Higher Education Restructuring Act?" and "What do you believe to be the most troublesome outcome(s) of the 1994 Higher Education Restructuring Act?" We grouped the responses into categories based on our interpretation of the responses as follows.

Most positive
- Autonomy: This category focuses on the nature of the authority vested in the institutions, and includes responses such as, "ability to make our own decisions," "ability to add programs to meet the needs of our students," and "fewer outside constraints."
- Increased inter-institutional collaboration: This category focuses on the relationship between the institutions, the various sectors, and the presidents.
- Less bureaucracy: This category focuses on the nature of the interaction between the campus and the state-level coordinating structure, and includes responses such as, "easier process to get approval," and "bureaucratic interactions are speedier."
As indicated in Table 5, the positive outcome cited most frequently in this open-response question was the increase in institutional autonomy, a finding in keeping with the primary intent of the Restructuring Act. Forty percent of the respondents replied in this category. They included representatives from every sector and position-related group. Interestingly, while 82 percent of the trustee chairs saw increased autonomy as the most positive outcome, only 45
percent of the presidents responded similarly. E.O.F. directors and faculty leaders were the least likely to concur (19 percent and 24 percent respectively).

Table 5
Most Positive and Most Troublesome Outcomes of the Restructuring Act

<table>
<thead>
<tr>
<th>Most Positive Outcomes</th>
<th>Number of Responses</th>
<th>Most Troublesome Outcomes</th>
<th>Number of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>42</td>
<td>Inadequate state-level coordination</td>
<td>34</td>
</tr>
<tr>
<td>Inter-institutional collaboration</td>
<td>17</td>
<td>Institutional interest over public interest</td>
<td>33</td>
</tr>
<tr>
<td>Less bureaucracy</td>
<td>16</td>
<td>Weak advocacy</td>
<td>32</td>
</tr>
<tr>
<td>Improved budget process</td>
<td>5</td>
<td>Transition problems</td>
<td>12</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>Power imbalances on campus</td>
<td>11</td>
</tr>
<tr>
<td>None</td>
<td>14</td>
<td>None</td>
<td>4</td>
</tr>
<tr>
<td>Total comments</td>
<td>102</td>
<td>Total comments</td>
<td>126</td>
</tr>
<tr>
<td>Surveys with responses</td>
<td>80</td>
<td>Surveys with responses</td>
<td>84</td>
</tr>
<tr>
<td>Surveys without responses</td>
<td>25</td>
<td>Surveys without responses</td>
<td>21</td>
</tr>
</tbody>
</table>

Fifteen percent of those completing the survey responded in a related category, encountering less bureaucracy in interaction between the campuses and the state-level coordinators. More than half of this group were presidents. No E.O.F. directors, whose role requires them to interact with a state-level E.O.F. board and staff, were included.

In the other categories, 16 percent of those completing the survey reported that increased inter-institutional collaboration was the most positive outcome. However, this perception was highly focused both in substance and in nature of respondent. Regarding substance, the written comments had to do with working relationships, as opposed to programmatic collaboration.
(which was not mentioned). Presidents from the independent and community college sectors were the most likely to comment on collaboration. (No representatives from the public research universities, state colleges/universities, faculty leaders, or E.O.F. directors replied in this category.) Similarly, the five who cited an improved budget process were all from the community and independent colleges. Finally, the 14 people who reported no positive outcomes included eight faculty leaders and four E.O.F. directors.

More than 30 percent of those responding to the survey cited three troublesome outcomes. Among those who saw state-level coordination as being inadequate were 45 percent of the presidents, 43 percent of the community college respondents, 40 percent of the state college/university respondents, 38 percent of the faculty leaders, and 32 percent of the respondents from the independent sector. At the low end in this category were legislators and respondents from the public research universities (10 percent and 13 percent, respectively).

While the over-all proportion citing the outcome of institutional interest surpassing the public interest was similar to that citing inadequate coordination, the mix was somewhat different. Proportionate response among the sector groups was similar to each other; the proportion among independent respondent (28 percent) provided the low, while the public research universities (38 percent) were the high. Among the position groups, several fell outside of this range: lower were governing board chairs (18 percent) and E.O.F. directors (25 percent); higher were faculty leaders (48 percent).
The third troublesome outcome to be mentioned by more 30 percent of the respondents was weak advocacy for higher education. Proportionately, the public research university respondents (75 percent) and the state college/university respondents (47 percent) were high, while community college respondents (11 percent) were low. Between 27 percent and 38 percent of each position groups, except for E.O.F. directors, were included in this group. Only 13 percent of E.O.F. directors cited this outcome.

Regarding the other two troublesome outcomes, presidents made up the largest proportion of those who cited transition problems. Faculty leaders accounted for 64 percent of those who saw power balances on the campus as having shifted; they perceived that faculty had less of a voice than they had prior to the restructuring and that morale was being affected.

Discussion

This survey indicates a high level of satisfaction among most respondents with respect to most aspects of the Higher Education Restructuring Act of 1994. However, there are substantial areas that require further attention if the new pattern of governance and coordination is achieve its intended effect, while avoiding the negative consequences predicted by the Act's opponents. Our study showed a somewhat less positive perception about the restructuring that did the survey conducted by the New Jersey Commission on Higher Education two years earlier. While 46

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3 While many of our findings are consistent with those of the New Jersey Commission on Higher Education's 1996 survey, there are some differences. It is not clear whether these result from the timing of the surveys, who conducted the surveys, or who responded to the surveys. There were similarities and differences in the composition of the sample for each study. Both surveys included presidents, institutional governing board members, faculty leaders, and E.O.F. directors (though the CHE survey also included other E.O.F. staff, as well). The CHE sample also included other campus administrators, members of the state-level Student Assistance Board, the CHE, and student leaders, while ours did not. We included advocacy association staff (higher education lobbyists), legislative leadership, and members of the Assembly and Senate Education Committees, while the CHE study did not. The representation among the institutional sectors differed in two instances: state college/university representatives
percent of the respondents to the CHE survey reported that the restructuring was a good idea/positive change, 42 percent of our sample reported that they believed that the new structure had benefited higher education in the state. The 10 percent who responded negatively on the CHE study compares to 27 percent on ours. The CHE "mixed opinion/mixed change" group was 39 percent, while our "not sure" group was 28 percent. Comparing the ratings by similar groups on the two surveys, presidents and community college representatives were slightly more favorable on our survey, while state college/university and independent sector representatives were slightly less favorable. There were marked differences among three groups: the 29 percent favorability among trustees surveyed in the CHE study paled compared to the 91 percent favorability rating on ours; the 31 percent negative rating by faculty on the CHE study was substantially less than the 71 percent on ours; similarly, the public research university respondents were much more negative on our survey than on the CHE's.

Our study focused both on the attainment of restructuring goals and the occurrence of the fears expressed by opponents; the CHE study focused only on the former, thus limiting the comparability of the two. Combining the results of the 10 goals questions with the open-ended responses regarding the most positive outcomes, it is clear that most believe that substantial deregulation and a concurrent increase in the amount of governing board authority and institutional autonomy has occurred. As a result, many respondents report that innovation on campus has been positively affected and that the campuses are able to mount new degree
programs in shorter amount of time. (On the other hand, more than half of the sample indicated that there had been at least some level of degree program proliferation.)

Some goals have not been realized to the same extent. For example, more than one-fifth of the respondents reported no change in presidential ability to respond to campus concerns, or in the level of fiscal flexibility. Similarly, a like proportion reported no progress in inter-institutional collaboration. Looking further into this goal, we find that there has been an increase in cooperation among the presidents, but it has not cascaded downward to programmatic collaboration, except perhaps in the area of transfer articulation between two- and four-year public institutions. (The question regarding problems in transferring credits had the highest "not at all" response and the lowest "substantially" response among the 11 fears questions.)

One-third of the respondents reported that the anticipated increase in institutional accountability -- the public policy trade-off for increased autonomy -- had not occurred; this proportion was twice that which thought it had substantially occurred. Responses to several questions on other parts of the survey bear on this area. For example, while two of every five respondents believed that institutional interest had not risen over public interest, the same proportion thought that it had occurred either somewhat or substantially. (On the open-ended response question concerning the most troublesome outcomes, 31 percent of the same listed this problematic outcome.) These perceptions may account for the fear that the restructuring would result in a loss of a state-level watch dog regarding standards having become a reality, either substantially or in part, to half of the respondents. Indeed, on the open-ended question, 32 percent indicated their belief that the level of statewide coordination was inadequate.
Advocacy appears to be another problematic area. While one-quarter thought that the goal of increasing each institution's ability to advocate for its fiscal and capital needs had substantially achieved, an equal proportion saw no progress. The fear that advocacy for higher education as a whole would be diminished by the restructuring was reported by nearly one-third of the sample as having substantially occurred (though to the contrary two in five saw no occurrence). On the open-ended question, three in ten indicated that weak advocacy was a troublesome outcome.

Examining the other "fear" questions, the response written by one respondent to the open-ended question regarding positive outcomes tells much of the story: "my concerns didn't happen." Only three of the 11 fears were reported as having happened by more than 20 percent of the respondents; at least 40 percent saw no occurrence regarding six of the 11 fears. As indicated earlier, however, many people are withholding judgment at this time; on seven of the 11 questions, more people were "not sure" than saw "substantial" occurrence of the fear. (This phenomenon did not occur at all regarding goal accomplishment.)

One interesting note: in the past, the BHE/DHE needed to intervene on behalf of some colleges against political interference by powerful elected officials. While there is little evidence from the survey to suggest any substantial occurrence of the fear that under the new structure the buffer between the campuses and the partisan political apparatus would erode, there may be another phenomenon occurring. Several legislators reported that they were being contacted more
by institutions now than they had in the past, and saw the possibility that the institutions might be causing the arm's length relationship to shorten.

Looking again to the CHE study to determine whether there has been any shift in perception between 1996 and 1998, approximately one-fifth of the CHE sample provided less than favorable ratings in four areas. While our study did not investigate the speed of trustee appointments, it did reveal continuing concern regarding the other three. We note that our questions were not the same as those posed by the Commission; however, taken together, several speak to the same issues. To arrive at a measure that may be comparable to "less than favorable," we combined the responses in the two categories that indicated a perception that the fears voiced by opponents had occurred "somewhat" or "substantially." Accordingly, in regard to the first area cited by the CHE (advocacy and systemwide coordination), our survey indicates that 49 percent reported a diminishment in statewide advocacy for higher education. (Recall, too, the one in three respondents who indicated on the open-ended questions that weak advocacy, inadequate state-level coordination, and a rise in institutional interest over the public interest were troublesome outcomes). Regarding the CHE finding about "statewide coordination of academic programming and adequacy of their review," our survey found that half of the respondents reported that program proliferation had occurred, and more than half reported their perception that there had been a reduction in a state-level focus on academic standards. Regarding the CHE finding about "information on higher education," our survey found that 29 percent perceived a diminishment in statewide policy research activities.

Conclusions
Our data leads us to conclude that substantially more progress has occurred toward the achievement of the goals than to the realization of the fears. Yet, only slightly more than two in five respondents were willing to conclude that the new structure has benefited higher education in New Jersey. We suspect that this may be the case given the manner and speed at which the restructuring occurred. Higher education had not been a topic in the gubernatorial campaign that occurred five months prior to the Governor's surprise announcement. Three months later, a new regulatory structure was in place. The division among the higher education community and the highly partisan nature of the vote within the Legislature were indicative of the lack of effort to build a consensus around a new model of governance and coordination.

Four years later, it seems, few minds have been changed: nearly three-quarters of those who supported passage of the Restructuring Act see it as having benefited higher education, while more four-fifths of those who opposed it do not see a benefit. Dominant in the first group are legislators, presidents, and governing board chairs -- a powerful coalition. The second group is dominated by faculty leaders, but has a large proportion of E.O.F. directors, as well. (Only one E.O.F. director reported favoring the legislation in 1994; those who were in the state at the time were rather evenly divided between being opposed and having no opinion. The E.O.F. Professional Association and the statewide E.O.F. Board of Directors were among the vocal opponents at the time.)

This becomes important because those most skeptical about the effect of the current structure -- faculty leadership and the E.O.F. community -- have historically had strong links to Democrats. Currently, the Legislature is overwhelmingly Republican. There have been one
Senate and two Assembly elections since the restructuring, and the balance of political power has not changed; moreover, the Governor was re-elected in 1997, though by a slim margin. In neither of these elections did higher education surface as an issue. However, there are two factors that could change this. First, Governor Whitman is statutorily precluded from seeking a third consecutive term. She was the champion for the restructuring. Second, the formal, five-year review of the effect of the new structure (as required by the enabling statute) provides a venue for partisanship regarding higher education to arise again. If the Democrats make statewide coordination an issue, it is likely that they will be able to garner strong support from elements within the higher education community.

To assure support for the current structure, its proponents would be advised to address the existing concerns as identified both in the 1996 CHE study and in this study. There are at least four areas that need attention.

- First, the establishment of a mechanism or a partnership for consistent statewide advocacy for higher education is probably the one area that could achieve a wide amount of common ground within the higher education community.

- Second, there needs to be a new understanding regarding what advocacy at the institutional level means. Seeking support of the governor and Legislature for operating and capital budgets is surely acceptable, as is advocating special treatment for the institution. Indeed, when the new statutes removed the state-level higher education agency from reviewing institutional budget requests, it contemplated such activity. However, going to the governor and Legislature must have its limits. They cannot be called upon to resolve campus issues or concerns that relate to higher education in the state. Even though only a few legislators
reported in our survey that they had been contacted regarding their support on such matters, such a conception of advocacy can open the door to legislative intervention.

- Third, the ability of the Commission and the Presidents Council to engage in a partnership for effective statewide coordination may be a factor of an inadequately-sized CHE staff. On many of our surveys, respondents wrote that they needed to spend an extraordinary amount of time working on committees or doing staff work associated with statewide matters. The current power sharing arrangement contemplates such activity. Yet, the balance may be tipped such that the time spent in Trenton may outweigh the benefit of the collaborative effort. Further, the collaborative effort may be hindered by busy campus professionals having to work part-time on matters that should have some additional full-time attention. A few specialized staff added to the CHE would provide the resources for the policy research that many find inadequate, as well as for the general staffing of the voluntary committees. A caution, however: a CHE that grows too large will have the tendency to do what central staffs do; that is, seek to do more. If the commitment is to the current structure, small must still mean small, but it should probably be bigger than it is.

- Finally, and most important, a new balance must be attained between institutional ambition and statewide concerns. If this can be done through self-regulation and heightened institutional accountability, the current structure will be strengthened; if not, pressure will develop to provide the Commission with additional authority. The most likely initial move in this direction would take form by the Commission asserting itself more into institutional affairs via its statewide planning mandate. This would represent a shift of power within the federal model as described by Callan, Bracco, and Richardson (1998), and would be consistent with the intent of the current statutes. However, unless diplomatically handled, it
would likely result in a revolt by the same forces that worked with Governor Whitman to create the current structure. If the higher education community takes to fighting among itself, intervention by elected officials can be expected. Depending on the extent to which the national mood supports deregulation and privatization, and depending on who holds the power in the statehouse, another round of significant change could result.
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