

AAUP Response to the Indiana Efficiency Commission Report on Higher Education

The Indiana Conference of the American Association of University Professors has long called upon policymakers in higher education to focus their concerns on four goals: quality, affordability, accessibility, and accountability. With the publication of the recent *Report of the Subcommittee on Higher Education* to the Indiana Government Efficiency Commission, AAUP finds much to like, but much still to be done. This report highlights our assessment of the subcommittee's recommendations as they impact the four major goals we continue to pursue.

QUALITY

The Commission notes, and we agree, that Indiana is fortunate to have a number of high quality institutions of higher education. While the report concentrates on public institutions, we must not lose sight of the fact that Indiana also possesses some of the finest private institutions in the nation and offers its citizens an attractive blend of public and private opportunities in higher education.

The Subcommittee Report expresses little doubt about the quality of instruction at our state's four year and regional campuses and Vincennes. It also documents the fact that the delivery of education at these sites is already quite cost-effective when measured against peer institutions nationally. Yet, we agree that there is room for improvement through reallocation of mission and resources in order to maximize the return to taxpayers. In the process, however, we must ensure that quality instruction is maintained throughout the higher education system. While we will discuss the tiering of Indiana's higher educational institutions below, here we will comment on issues of quality control.

Quality higher education can only be ensured when best practices are followed. These include: faculty control of transferability, commitment to the predominant use of full time faculty, use of the tenure system, protection for academic freedom, and shared governance. While these standards are utilized at most of Indiana's higher education institutions, they are especially lacking at the Community Colleges.

Transferability

If the state is to move to a seamless three tiered educational system (community colleges—four year primarily instructional institutions—graduate education facilities), it will be necessary to establish some level of uniformity in the content of courses offered and in the level of instruction provided. To meet such need, AAUP is proud of its involvement with the State Transfer and Articulation Committee (STAC). AAUP Professors have chaired STAC since its inception, and several of our members have represented their institutions on the Committee. Transferability is a critical ingredient for the efficient and effective education of a mobile citizenry. AAUP faculty from around the state have volunteered their time as members of STAC to perform the tedious but necessary work of examining course objectives and syllabi in numerous disciplines and to recommend courses for transfer credit among institutions. As a result of this effort,

faculty can maintain with some assurance that students who successfully complete a standard course in a major discipline at one institution will be able to continue their education at another institution without remediation and with a reasonable chance of success. Therefore, we recommend the continuation and strengthening of STAC.

Faculty

Also important in this process is the guarantee that faculty delivering the instruction are well trained, committed to students at the institution where they are employed, and systematically reviewed by peers. First and foremost, quality instruction is tied to an institution's commitment to hiring qualified full time faculty who are regularly evaluated by peers through rigorous promotion and tenure processes. In addition, however, student success depends upon the willingness of faculty to spend many additional hours creating new curriculum, meeting with individual students to ensure their needs are met, developing enriching extra-curricular opportunities, mentoring the best and the brightest, and engaging with the rest of the campus community in the governance of the institution.

Hoosier institutions do not universally meet these preconditions for quality, however. There has been steady growth in the number of part-time faculty who lack both the time and resources necessary to participate fully in student learning. Often, they have no offices, no phones, and no access to computers or email. All too often, these are the faculty entrusted with teaching introductory courses that are vital to continued student success and retention, and the courses that are frequently involved in transfer. Their numbers are often largest in the disciplines that are essential to student success: math, English, and the sciences. The increased use of contingent faculty is a long term problem that threatens the health and vitality of higher education. Moreover, it is a national problem that will require both state and national attention in the years to come.

Community Colleges

One of the challenges facing our new Community College is that while it wants to be treated like every other university, its faculty policies do not look like those in place anywhere else. Since many Hoosiers will begin their collegiate experience in Community Colleges in the future, it is important that not only course content but also faculty quality and the professional environment in which faculty operate be raised to the highest caliber. This will require the creation of quality control policies, procedures and institutions that already exist in virtually all of our state's colleges and universities except Ivy Tech. Among these are the creation of a core of full time faculty who oversee curriculum, development of rigorous faculty review procedures, protections for academic freedom, and creation of governance institutions that allow for meaningful faculty participation in the operation of the institution. These conditions, currently in place at all other higher education institutions throughout the state, will lift standards of student accomplishment, provide the state with a common framework of institutional standards against which educational attainment can be measured, and provide assurances for faculty at transfer institutions that both faculty and curriculum at the Community Colleges conform to best practices. Many of these elements are already present in the recommendations of the Subcommittee.

Full Time Faculty

We agree with the Subcommittee that in order to create a high caliber community college, the institution must develop "the policies, procedures, academic culture, and full-time faculty essential for quality assurance and integrity at each site . . . " (17). To achieve the higher quality of education necessary to establish a community college system, the Commission specifically calls for an "independent external review process" and statewide criteria, including "a full-time faculty, faculty governance, and academic policies and procedures and other basic requirement for ensuring the necessary quality and integrity in academic program delivery." The criteria would also include those necessary to "deliver general education, transfer and occupational program in accordance with state and system academic policies and procedures." (26) The Report further states for the community colleges, "an immediate need is bolstering their full-time faculty in the general education area."

Tenure

The AAUP strongly believes that in order to offer viable general education a community college must have a core of full-time faculty members with tenure. At present, Ivy Tech State College employs about 26 percent of its faculty full-time. However, none of its faculty--whether full-time or part-time or those with master's degrees or doctorates--have tenure. In a 2001 report for the Indiana Commission on Higher Education comparing Ivy Tech colleges and Vincennes University, virtually all of the 14 peer institutions, including those in Illinois, had some provision equivalent to tenure¹. At the Ivy Techs there is no requirement for a peer role in hiring and no provision for academic freedom. By contrast, 69 percent of all community colleges in the United States provide for tenure; and 59 percent of all fulltime community college faculty are eligible for tenure. Lacking tenure and protection for academic freedom, Ivy Tech faculty may be fired for reasons that have nothing to do with performing up to the highest academic standards in their discipline or delivering a first-rate education to their students. Not surprisingly, Ivy Tech faculty members do not participate in governance in a significant way, unlike their peers at other similar institutions. Though some campuses have a faculty or university senate, these bodies lack primary authority over academic matters. Anecdotal evidence suggests that some of these senates rarely even bother to meet.

Academic Freedom

Lacking tenure, academic freedom, or genuine collaborative governance, fear is widespread among community college faculty to the extent that faculty claim they are reluctant to even hold an AAUP meeting on campus, offer critical comments about the conduct of administrators, or individually determine the content of their courses. AAUP believes that in order to conduct inquiry, publish, speak, and teach according to the most advanced guidelines set by the respective disciplines of faculty in higher education, academic freedom is necessary. Students whose professors lack basic guarantees of academic freedom risk being taught by faculty who are understandably too timid to

explore robustly important issues and concerns facing their disciplines. Studies have demonstrated that there is no practicable alternative superior to tenure, taking into account all the costs and benefits of the existing tenure system.

Shared Governance

Shared governance is also necessary to maintain academic freedom. Shared governance grants faculty primary authority over curricular and academic matters, thus giving them the necessary power to hold colleges and universities to the professional standards necessary to preserving an academic community. It assures students and taxpayers that they are receiving and paying for a first-rate educational experience. Shared governance also grants faculty advisory authority in other matters of governance.

These elements of higher education—fulltime faculty, tenure, academic freedom, and shared governance—are fully consistent with the goals of the Indiana Efficiency Commission. They serve as the indispensable basis for a genuine higher educational experience for Hoosier students. Without a tenured faculty in general education who participate collaboratively in the governance of the institution, it will be impossible to hire and retain highly qualified faculty. Without tenure, faculty members would have a disincentive to hire anyone more proficient than themselves, thus tending to keep the institution at a level of mediocrity. A strong core of tenured faculty creates an academic culture that applies to all faculty members, whether in general or technical education, full-time or part-time, tenured or untenured. That culture already exists at most American colleges and universities, and it helps explain why our national system of higher education is so highly regarded around the world.

Tenure must be earned and is not granted lightly. AAUP does not expect existing full-time faculty at Ivy Tech to be granted tenure without a rigorous process of evaluation conducted by highly qualified faculty from inside and outside Ivy Tech State College. In general, Ivy Tech faculty members are qualified, dedicated, and talented professionals, many of whom have terminal degrees. For these faculty, tenure, academic freedom, and shared governance is deserved and will enable them to put forth their best efforts in creating a competitive community college system in Indiana. Other tenured faculty will have to be hired from outside the system. Decent pay along with tenure will attract these new faculty to the Community College and entice them to stay.

AAUP also advocates multi-year contracts and meaningful guarantees of academic freedom for most part-time faculty at Ivy Tech. We see these policies as a half-way house between tenure and pure contingency. Finally, AAUP recognizes that pay is substandard at Ivy Tech. The same 2001 report to ICHE cited above found that Ivy Tech pay was 20 percent below the lowest peer institution. According to national rankings, Ivy Tech pay ranked in the bottom quintile of its national ranking system. By contrast, Illinois community colleges ranked in the first quintile and Vincennes University ranked in the third quintile.

Quality Recommendations

In sum, to ensure quality in higher education as the state moves to a more integrated system of higher education, AAUP makes the following recommendations:

Statewide

1. Continue the work of the State Transfer and Articulation Committee (STAC) to ensure faculty participation in and support for transferability;
2. Monitor the use of part time faculty at all campuses to ensure students access to all the benefits of higher education;

Community Colleges

1. Increase substantially the number of full-time faculty, especially in general education;
2. Establish a tenure process for its core faculty to ensure academic freedom, which is the lifeblood of an academic community;
3. Offer a majority of the full-time and part-time faculty at the Community Colleges who are not tenured or tenure-eligible the possibility of multi-year contracts with meaningful guarantees of academic freedom;
4. Establish campus-based institutions for shared governance comparable to those at Vincennes and other Indiana universities;
5. Increase to competitive levels the pay for full-time and part-time faculty.

ACCESSIBILITY

The Efficiency Commission has done a great service to the state by highlighting structural problems in the delivery of higher education in the state. As they point out, Indiana is fortunate to have two major research institutions of national stature. Many states with larger populations and resources maintain only one such institution. The problem is not the richness of the institutions but the fact that we educate an inordinate number of undergraduates at these institutions that are built to specialize in graduate education. The result is an educational system in which resources are not as efficiently allocated as they might be.

Tiering

The major efficiency goal advocated by the commission is the shifting of undergraduate education away from the expensive top tier institutions down to presumably the more efficient and cheaper campuses including the community colleges. The report recommends an enormous increase in the role of the community college system in post secondary education. In a broader sense, the report addresses the importance of public higher education in catalyzing economic growth. The report identifies the need for Indiana's institutions of higher education ---- from the flagship research universities down to the community colleges ---- to catalyze and diversify economic growth in the

state and provide the trained workforce to carry out the process. The commission in its report is clearly proposing a pyramid like structure with the apex of Bloomington, W. Lafayette and IUPUI dependant on the research dollar and the base on the undergraduate tuition.

The legislature has in a sense already addressed both issues albeit in a preliminary way. The two major legislative initiatives over the past ten years to address these two issues have been

- the creation of the community college of Indiana to address work force needs.
- the creation of the 21st century Research and Technology fund to address the need to develop new technology and promote economic diversification.

While we agree with the overall goals of the Subcommittee Report, which by and large are in line with the above legislative initiatives, specific comments are warranted.

Flagship Institutions

We concur with the report's recommendations to tighten admission requirements at the main research campuses of Bloomington and Lafayette. They should focus more on research and graduate programs and not be the primary vehicle for general undergraduate education. Unless current legislative appropriation formulae (which are essentially enrollment driven) are changed, a tightening in admission requirements as called for above could be disastrous for Bloomington and Lafayette. The report implicitly concludes that there will be a loss in state appropriation concomitant with the recommendations to tighten selection standards. In light of these financial consequences, the report examines alternate revenue sources including

- a) higher tuition rates at Bloomington and West Lafayette;
- b) increasing Indiana's share of Federal research dollars.

All tuition increases by IU and Purdue in the past few years have been immediately followed by similar actions from every other university in the state of Indiana. This has fueled a public backlash and certainly contributed to a perception that higher education in the state is becoming unaffordable. We welcome the idea of compacts (price controls) between each university and ICHE which would govern both revenue and tuition targets which is a version of the bill introduced by Senator Kenley.(R) last spring. While Table 4 in the Subcommittee Report suggests there is room for tuition increases at the research campuses, it is not clear that it will be accompanied by appropriate increases in student financial aid, especially given tight budget scenarios for the foreseeable future.

The second potential source of new revenue that the report identifies is an increase in the state's share of federal research dollars. While Indiana's share is low relative to other states, we are skeptical that in the current federal budget environment, any large increase is about to happen. The Subcommittee Report goes even further and proposes somewhat restricted bonding authority for Bloomington and W. Lafayette for research related capital projects (to put up more buildings to house the facilities to attract

more money). As an additional incentive to generate additional research money, the report suggests the formation of an incentive pool to be allocated in proportion to the increase in federal research and industry from year to year. In a curiously anti-competitive spirit, however, this incentive pool is limited to the three big research campuses at Bloomington, West Lafayette and IUPUI. Why not reward all campuses at every level for obtaining alternate revenue sources?

In any case, this all pre-supposes an ever expanding pool of research money both from private and public sources. The Presidents of Indiana and Purdue University have voiced publicly (*Indianapolis Star*, November 30, 2004) the same concerns that the envisioned alternative streams of revenue might be both illusory and counter-productive for economic growth.

In light of the financial concerns raised both in the Subcommittee Report and by the University Presidents, it will be necessary to find ways to make the transition to a tiered higher educational system revenue neutral for the flagship schools. Otherwise, there is no incentive for moving in this direction. A variety of mechanisms may be employed including the suggested idea for a state fund to increase the search for external research dollars. Yet, the climate for sustained increases in federal money is not bright. Realistically, the state will need to continue to work with these institutions to develop new approaches to ensure levels of funding that do not result in a reversal of quality.

We must also guard against excessive increases in tuition that will nullify gains in efficiency the proposed plan might have system-wide. If tuition increases make graduate education less affordable, we will reverse progress we have made in accessibility rather than increasing it. Any increase in tuition must be matched by a commitment to increasing the level of assistance to low income students. Otherwise, the transition is likely to deter those who can most benefit from graduate education and who may contribute to the economic development of the regions from which they are recruited.

Middle Tier Institutions

It is in the middle of the pyramid where the commission's report is less specific. Here the picture of higher education in the state is complicated by the existence of both independent institutions and regional campuses of the flagship schools.

Independent Institutions

With regard to the independent institutions, we support the Subcommittee Report to refocus their efforts on undergraduate education and to limit the growth of graduate programs to those areas of special expertise. Ball State, Indiana State, and Southern Indiana University must play to their strengths: teaching undergraduates. This does not mean that they should eschew research. Inevitably good teaching comes from good scholarship. However, it does mean that more undergraduates should be directed to these schools for completion of their baccalaureate degrees. These institutions should

also find ways of partnering with their communities by improving K-12 education and working to enhance continuing education of community college faculty in their regions.

Regional Campuses

With regard to regional campuses of the flagship schools, the picture is complicated by confusion over mission and structural operation. Current administrative and governance systems make reform difficult if not impossible.

The Subcommittee Report (page 19) deplors the existence of vertical and autonomous system silos which inhibit coordination and the ability to meet regional educational needs. Yet, a few pages later (Page 24), the report emphasizes the need to work within existing governance structures; structures which, we might add, were set up decades ago before tiered missions were under consideration. The regionals are now called upon to carry out major changes in focus and yet remain part of the IU or Purdue administrative silo.

Administrative efficiency aside, the silo structure has thwarted creativity at the regional level and led inevitably to a greater focus on the three research campuses. The Subcommittee Report recommends that the regionals be allowed to pursue limited graduate degree programs which satisfy regional demand. But the current vertical silo structure in Indiana higher education makes this very difficult. Initiative for new graduate programs at the regional campuses must pass vertically up the silo, often against enormous institutional resistance. Approval can often be delayed for several years. Unless institutional culture and existing governing structures are changed and the regionals are provided much greater degree of autonomy, these suggestions will remain underutilized.

Inevitably, trustees remain conflicted about what the regional campuses should be. Is it one University (be it IU or Purdue) with however many front doors, or are they autonomous units? IUPUI has achieved a degree of autonomy by sheer virtue of size. But there is great paralysis in terms of a strategic vision regarding what the future of regional campuses could be and how they can contribute to the regional economy. All flagship institution presidents ritually make their visits to the regionals after they get appointed and for other important events but inevitably they must devote most of their time and attention to matters closer to home. If we wish to make the regional campuses more flexibly responsive to local economic and social needs and more vibrant centers of local initiative, new governance mechanism needs to be created to allow constituents at the regional campuses (faculty, students, administration, community residents) to have a greater voice in the Universities Governing Boards.

Finally, the Subcommittee Report recommends that the regionals phase themselves out of the business of offering associate degrees. Some of these degrees are in areas which satisfy specific local institutional clients such as hospitals. There is no indication that the CCI/Ivy Techs have the infrastructure or personnel to offer these degrees in every region. As a result, we urge caution in implementing this proposal.

Accessibility Recommendations

1. We support the overall goal of tiering the educational structure to permit greater efficiency. To this end, methods must be found to promote greater reliance on the flagship institutions for graduate education. This recommendation comes with important caveats:
 - a. Ways must be found to make the transition in a manner which is revenue neutral with regard to state support for the flagship schools.
 - b. Any increase in tuition must be matched by a commitment to increasing the level of assistance to low income students. Otherwise, the transition is likely to deter those who can most benefit from graduate education and who may contribute to the economic development of the regions from which they are recruited.
2. Ball State, Indiana State, and Southern Indiana University should increase their share of undergraduate education as well as those graduate programs to which each is most suited. Again, we must guard against excessive tuition increases, capping or limiting increases to ensure that these institutions do not reflexively respond to increases envisioned for the flagship institutions.
3. The relationship between the flagship institutions and their regional campuses must be re-examined with an eye toward providing greater local autonomy and flexibility in the creation of missions and programs designed to meet local needs.

AFFORDABILITY

America has long turned to higher education as the single best vehicle for economic mobility. Indiana's commitment to public education dates back to the Northwest Ordinance and developed in conjunction with national programs designed to help average and low income Americans help themselves. From the institution of the land grant initiatives to the adoption of the GI Bill, America has set a course for ensuring that higher education is not the preserve of the wealthy. Generations have benefited from this compact and millions have succeeded. However, this compact is in danger of extinction. Throughout America, students are being asked to bear an increasing share of the burden of higher education. However, in recent years, states' share of higher education has been declining. This shift of costs to the students represents a break with America's promise. Generations who have benefited from state support are now denying the same level of support to their children and grandchildren. AAUP will issue a national report in January 2005 entitled *Ensuring the Nation's Future: Preserving the Promise of Higher Education*. In the document, we will call for a recommitment to higher education as a public good. Despite fiscal challenges, Indiana must do no less both to ensure ongoing competitiveness and to honor its inter-generational commitments.

One way to assure that those who need higher education most can benefit is by directing more state funds toward scholarships and grants. In this arena, Indiana has an excellent

track record documented by the Subcommittee Report. We commend the state for its efforts and support continued progress in this area.

Funding is only half of the equation in keeping higher education affordable. Expenditures must also be examined. In this regard, we renew our call for a statewide Commission on the Cost of Higher Education similar to the national study produced by a Committee of the United States House of Representatives in 1998. That report outlined the major cost drivers of higher education nationally but cautioned that states must produce their own studies to examine state and local peculiarities that might impact spending. Beginning in 2000, the Indiana Conference of AAUP has called annually upon the Indiana Commission for Higher Education to begin such a study. We do so again now.

A cost study of higher education will reveal the major sources of expenditure both at individual campuses and system-wide and will allow the state to begin to develop efficiencies in the procurement and delivery of common services. It may also be able to dampen the appetites at some campuses for expenditures that deviate from the norm or that exceed peer institution averages.

One step in this direction is currently underway. Senators Simpson (D: Bloomington) and Miller (R: Indianapolis) are proposing the pooling of health care cost for university employees and state government personnel. This plan would effectively more than double the pool of insureds resulting in lower premiums for the state. Many states currently pool state and university health coverage to obtain savings. (A partial list is provided in Appendix A.) Much study still needs to be done to ensure that benefits and options across the various institutions remain somewhat comparable to current plans. We have collected preliminary data (presented in Appendix B) which indicates some cost savings can occur with little change in coverages. This is a undertaking that has great potential. We believe Governor Daniels had this in mind when he spoke of creating new efficiencies in state agencies. Clearly, institutions of higher education can do more.

The *Report* continually seeks ways to “distribute resources across institutions differently and, in so doing, achieve greater benefits with the same levels of state support” (p.8). One of the barriers to improving educational results within current spending levels is the way we finance new campus buildings in Indiana. The difficulty begins with the pressure that the university community puts on the state to build new buildings. The amount of money that our universities have requested for new capital spending has mushroomed dramatically over the past several years. In the 2001-03 budget cycle, total university requests for new buildings was \$475 million dollars; in the next budget cycle, those requests rose to \$618 million dollars; and in the most recent cycle those requests amounted to an astonishing \$829 million dollars. And while the state never fully funds those requests, there seems to be little doubt that those requests on the front end lead to significant spending on the back end. For instance, thirty years ago the amount of university operating budgets that was dedicated to funding the debt created by capital projects was 4.6%. Since the year 2000, this percentage has more than doubled. The chart below is another way to measure the extent to which capital debt service has eaten

away at university operating budgets. It compares the percentage growth, over time, in university operating budgets and in debt service.

	<u>University</u> <u>Operating Budgets</u>	<u>University</u> <u>Debt Service</u>
5 years	18.0%	22.1%
10 years	37.4%	41.4%
20 years	103.6%	188.2%

Buildings certainly play an important part in the life of our universities, and they can be a way to attract and retain the best faculty and students in the world. Yet operating budgets fund a host of other needs that are essential to a university's well being: they can, among other things, be used to support scholarships, buy library resources, purchase new technology, hold down tuition increases, and pay faculty. We are concerned that the old way of financing buildings does not provide universities the incentives they need to balance their desire for new buildings with meeting these other, pressing academic needs.

Several years ago, the Commission for Higher Education and the universities started to explore a way to reward those universities that restrained their capital requests with more operating dollars. Mindful of the greater need for more buildings at new and growing campuses, these conversations centered on our state's mature campuses, where enrollments are fairly stable and not expected to increase dramatically. The hope was to create a budget process that produced the result the *Report* seeks: to give universities the chance to be more creative in the initiatives that they fund with their operating budgets, not by spending more money, but by spending the same amount of money differently. The goal was to spend less of the state's money paying off building debt, and more of it funding student and faculty initiatives.

This effort finally broke down in part because at least some university representatives were not confident that any request that they restrained in the beginning of the budget process would in fact be rewarded with more operating dollars at the end of the budget process. The AAUP is hopeful that this concern can be addressed by energetic gubernatorial leadership and with the *Report's* idea of Compacts. If there is a public and reasonably formal understanding by all parties at the beginning of the budget cycle that those mature campuses that restrain their capital requests will be rewarded with some increase in operating dollars, no one should worry that sacrifices they make early in the process will go for naught.

Affordability Recommendations

1. Indiana must maintain a commitment to Higher Education as a public good by providing sufficient resources for individuals to develop their individual potential as economic producers and citizens.

2. In an era of rising costs, it is more necessary than ever for Indiana to maintain its commitment to funding grants and scholarships for low income citizens who can most benefit from higher education.
3. The Commission for Higher Education should initiate a study of the costs of higher education in the state to determine key costs drivers as well as means for bringing these under control and to ascertain ways for pooling expenditures for cost savings.
4. The state should explore ways to restrain university appetites for capital projects by rewarding mature institutions that forego building with increased funding for operating budgets.

ACCOUNTABILITY

Accountability is a hallmark of public institutions in a democracy. Elements include clear lines of authority, transparency in operation, full disclosure, and opportunities for checks and balances by affected stakeholders. Much faculty time is spent documenting the use of time and performance. Yearly, faculty must submit to their supervisors full accounts of their teaching evaluations, publications, service activities, and related academic duties. Salary increases are tied to such productivity measures at every campus. Universities, too, engage in thorough evaluation of their programs and operations. Data are continually submitted regarding FTEs, building utilization, graduation rates, retention rates, and a host of other measures. However, the ability to use this data for the effective coordination of higher education policy in the state is currently limited because of the limited authority of the Commission for Higher Education.

Among the states, the power of higher education commissions spans a continuum from centralized control over individual or multi-campus institutions to limited authority over autonomous or semi-autonomous campuses. Structurally, the Indiana Commission might be considered somewhere in the middle. Its principal authority seems to be in approval of programs for the various campuses. However, when it comes to financial control and legislative activities, requests coordinated by the Commission can be, and are often, trumped by the action of legislative “liaisons” or lobbyists for the individual institutions. This makes it very difficult to produce coordinated system-wide policy in higher education. The institutions have, in effect, veto power over many of the Commission’s recommendations. Therefore, we fully support the Subcommittee recommendations for strengthening the Indiana Commission for Higher Education (pp. 30-32).

We must also rethink the appointment and accountability of Boards of Trustees at individual institutions. Currently, state law provides for gubernatorial appointments based on formulas designed for each campus. At Purdue, for example, some trustees must represent agricultural interests. At others, a variety of economic interests must be appointed. Almost all campuses include elected or appointed alumni. All are required to include a student representative. The duties and activities of trustees at these institutions vary widely. At some (e.g., Purdue and Indiana University), trustees meet frequently

with representatives from campus and off-campus groups and take a hands-on approach to governing through participation in various oversight committees dealing with matters from budgets to personnel. At other institution, however, trustees play a minor role. They do not participate on committees. They do formally meet with campus representatives. Frequently, budgets are approved with no independent analysis and oversight. The lack of clear statewide standards regarding the appointment, duties, structure, and evaluation of governing boards is problematic. We think it would be well for the state to follow the suggestion of the Association of Governing Boards which argues for merit screening of trustees to assure that appointees are up to the challenges of the position, do not reflect narrow partisan or political biases, and are fully prepared to “serve broad social, cultural, and economic purposes that have long term effects on the citizenry’s quality of life.”²

For the past eight years, AAUP has also pressed for the appointment of a non-voting faculty trustee. Faculty are best positioned to understand the needs of the classroom. Along with existing student trustees, they bring important perspectives about the primary education mission of the institution. Many states, including Kentucky, include faculty trustees on their governing boards as do some of the most prestigious private institutions like Cornell. In order to avoid a conflict of interest, AAUP has proposed that the faculty trustee be non-voting. His/her role would be solely deliberative. Legislation for a non-voting faculty trustee has passed the Indiana House on several occasions but has been stopped in the Senate, despite support by prominent members of both parties including Vi Simpson (D) and Murray Clarke (R). Both candidates in the recent gubernatorial election clearly voiced support for the idea.

Finally, many of the financial measures discussed in the section on affordability (above) are also measures of accountability. University expenditures should be examined thoroughly. A state study on the cost drivers in higher education should be commissioned. But this is just the first step toward financial accountability. Currently, audit reports certify only that universities have supplied information on income and expenditures in proper form. They do not certify that universities are spending appropriately to meet their stated mission and goals. Such a complete audit ought to be conducted at least once every ten years by an independent agency for every institution of higher education in the state. Only by illustrating that budgets match stated priorities can true progress be measured.

Accountability Recommendations

1. We fully support the Subcommittee recommendations for strengthening the Indiana Commission for Higher Education
2. We support merit screening as part of the process for gubernatorial appointment and evaluation of university trustees.
3. We renew our call for adding a non-voting faculty member to all university governing boards.

4. The Commission for Higher Education should initiate a study of the costs of higher education in the state to determine key costs drivers as well as means for bringing these under control.
5. We support independent audits of all universities on a ten year basis to ensure that spending matches an institution's mission and goals.

¹ Ernst Benjamin, Comparison of Ivy Tech State College and Vincennes University Faculty Personnel Policies with the Polities of Selected Peer Community Colleges (Indianapolis: Indiana Commission on Higher Education, 2001).

² Association of Governing Boards of Universities and Colleges, "Merit Screening of Citizens for Gubernatorial Appointment to Public Colleges and University Trusteeship," State Policy Brief No. 1 (September, 2003), p. 1.