



*The Governance of the City University of New
York: A System at Odds with Itself*

Brian P. Gill

DRR-2053-1

5/99

*The Mayor's Advisory Task Force on the City University
of New York*

The RAND unrestricted draft series is intended to transmit preliminary results of RAND research. Unrestricted drafts have not been formally reviewed or edited. The views and conclusions expressed are tentative. A draft should not be cited or quoted without permission of the author, unless the preface grants such permission.

Preface

This research was conducted for the Mayor's Advisory Task Force on the City University of New York (CUNY), an advisory group established by New York City Mayor Rudolph W. Giuliani in May 1998. The Task Force is charged with reviewing, examining and making recommendations regarding: (1) the uses of City funding by CUNY, (2) the effects of open admissions and remedial education on CUNY, and on CUNY's capacity to provide college-level courses and curricula of high quality to its students, (3) the best means of arranging for third-parties to provide remediation services to ensure that prospective CUNY students can perform college-level work prior to their admission to CUNY, and (4) the implementation of other reform measures as may be appropriate.

This draft report examines CUNY's governance structure, how it contributes to the University's problems, and how it might be changed to improve performance. The RAND study was designed to provide the Mayor's Advisory Task Force the information and analysis they need to make recommendations to the Mayor on the future course of CUNY. Other draft reports produced for the Task Force include:

- *CUNY's Testing Program: Characteristics, Results, and Implications for Policy and Research*, Stephen P. Klein and Maria Orlando, RAND DRR-2047-1, 1999.
- *CUNY Statistical Profile 1980-1998, Volume I: Draft Report* Mary Kim, RAND DRR-2054-2 and, *Volume II: Databook*, Mary Kim, RAND DRR-2054/1-2, 1999.
- *Financing Remediation at CUNY on a Performance Basis: A Proposal*, Arthur M. Hauptman, RAND DRR-2055-1, 1999.

The RAND study was designed to provide the Mayor's Advisory Task Force the information and analysis they need to make recommendations to the Mayor on the future course of CUNY.

THE GOVERNANCE OF THE CITY UNIVERSITY OF NEW YORK: A SYSTEM AT ODDS WITH ITSELF

Brian P. Gill, RAND

Final Draft, 8 May 1999

for the Mayor's Advisory Task Force on CUNY

INTRODUCTION

Increasingly, elected officials are demanding that public universities demonstrate productivity and efficiency in their use of public funds. The City University of New York (CUNY) requires a governance system that promotes both productivity and efficiency in its educational enterprise. Although some of CUNY's colleges and programs are doing reasonably well, others are neither productive nor efficient. As this report will show, a dysfunctional system of governance bears significant responsibility for CUNY's problems. Battles for leadership among CUNY's stakeholders have become increasingly rancorous. Lines of responsibility are tangled and poorly defined. CUNY colleges often act more like independent institutions than complementary members of a system. Competition fails to lead to improvement because incentives for individual and institutional performance are weak. *The objective of this report is to understand CUNY's governance structure, how it contributes to the University's problems, and how it might be changed to improve performance.*

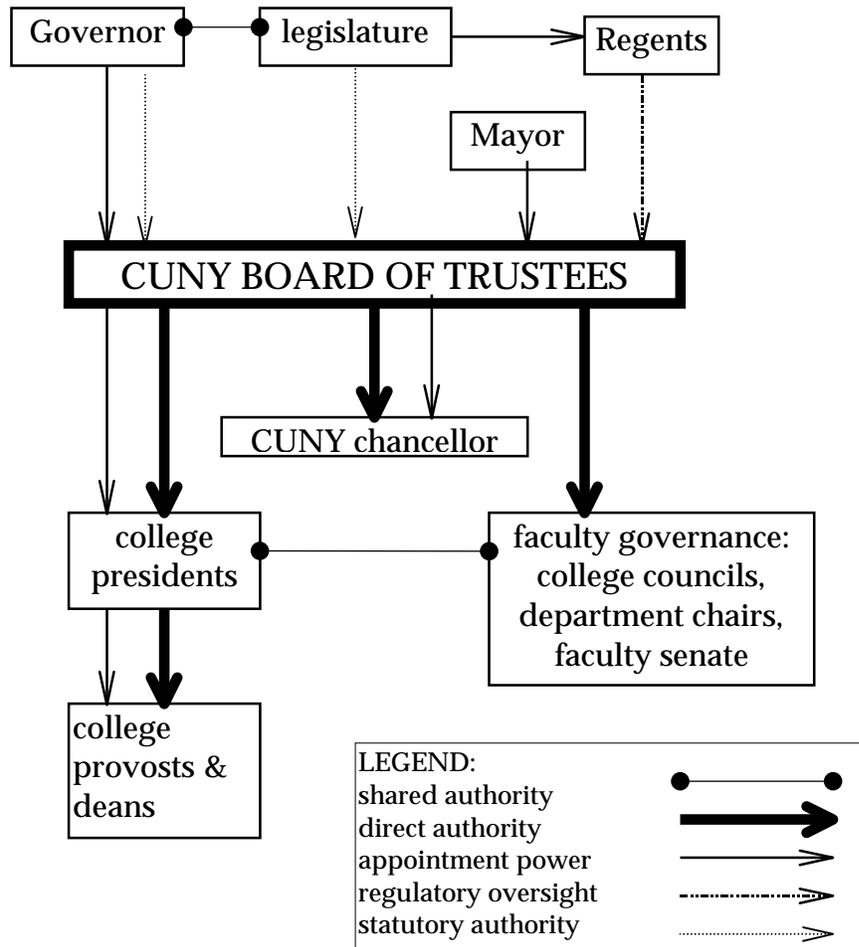
Methodology

The project was undertaken through extensive document reviews and interviews, involving multiple levels of governance. Documents reviewed included the New York State Education Law, which defines CUNY's position within the State's system of higher education, its relationship to the Regents and the State Education Department, and the responsibilities of the CUNY Board, the chancellor, and (to some extent) the college presidents. The Regents' regulations and Statewide Plan for Higher Education, which further clarify CUNY's position and obligations to the State, were also reviewed. At the University level, the Bylaws and Manual of General Policy were consulted; these documents establish the relationship between the University and its constituent colleges and describe general characteristics of governance structures within the colleges. The specific governance plans of each college were also examined. The study was further

informed by a variety of the University's academic and strategic planning documents produced over the past decade, as well as its annual budget requests to the City and State. In addition, college planning and evaluation documents--some written for the University and some for external accrediting agencies--informed the study. Finally, journalistic accounts were consulted for contextual purposes.

Interviews were conducted in person and by telephone with members of the State Board of Regents, officials of the Higher Education Division of the State Education Department, members of the CUNY Board of Trustees, present and former University-level administrators at CUNY, present and former CUNY college presidents, provosts, deans, and faculty members, including representatives of the faculty union (the Professional Staff Congress [PSC]) and the Faculty Senate.

An overview of CUNY governance



As evident in the organizational chart (above), CUNY's governance structure is complex. While the Board of Trustees has broad authority over policy at CUNY, it is subject (in various ways) to four different higher authorities: the Governor, the State legislature, the Mayor, and the Regents. As we will see below, the Governor and Mayor appoint the majority of the members of the Board. The Regents have authority to oversee and approve certain kinds of Board decisions. And, at the most fundamental level, the legislature and Governor jointly have the power to make basic changes in CUNY's governance structure by amending the State Education Law through which CUNY is established. This report will describe CUNY's governance structure as it exists under current statutes; it should be remembered throughout that any part of this structure could be changed through amendment of the State Education Law.

CUNY's governance structure is in fact even more complex than the figure suggests. The figure does not include authority for setting CUNY's budget. A majority of CUNY's funding is provided by the State and the City (the rest comes from student tuition), which gives the Governor, legislature, and Mayor another avenue of authority. The report will not discuss budgeting in detail, because it is directly addressed in two other reports of the Task Force (PricewaterhouseCoopers, 1998a; PricewaterhouseCoopers, 1998b).

CUNY's governance is also complex below the level of the Board of Trustees. Both the system-wide chancellor and the presidents of the various colleges are appointed by and report to the Board, as we will see. In addition, faculty have power independent of the college and University administrations, including the authority to elect their department chairs.

This report will begin with state-level oversight of CUNY by the Regents, proceeding to the Board of Trustees and the University administration, and on to college governance. The outline of the report is as follows:

- I. The Regents
- II. 80th Street: the Board of Trustees and the CUNY central administration
- III. What is CUNY? The central administration and the colleges
- IV. College governance and obstacles to college performance
- V. Alternatives and recommendations

I. THE REGENTS OF THE UNIVERSITY OF THE STATE OF NEW YORK

The City University is subject to the regulatory power of the Regents of the University of the State of New York. The Regents are elected by the State legislature, and they choose a commissioner of education to run the State Education Department, which is the administrative arm of the Regents (N.Y. Educ. Law secs. 202, 302). The Regents and the State Education Department are therefore largely independent of the Governor of the State of New York.

The Regents have unusually broad authority, because the University of the State of New York (not to be confused with the State University of New York, or SUNY) is defined to include not only the public university systems of CUNY and SUNY, but all educational institutions in the state, public and private, from pre-kindergarten through graduate school (See N.Y. Constitution, Art. XI, sec. 2). The major constraint on this broad authority is the Regents' inability to allocate funds: their own budget and the budget of the State Education Department are allocated by the State legislature in conjunction with the Governor. They have no control over CUNY's budget, either, which is funded from tuition, City revenues, and State funds allocated by the legislature and Governor (see PricewaterhouseCoopers, 1998b).

While the Regents lack the power of the purse, they nevertheless possess tools that can have a significant impact on CUNY: the power to register programs and the power to approve certain kinds of policy changes.

Program registration

All degree programs offered by public and private institutions of higher education in the State of New York must be registered with the Regents (N.Y. Educ. Law sec. 210; Regulations of the Commissioner of Education sec. 52.1). An institution that wishes to establish a new degree program must seek the Regents' approval. Generally, program approval is routine; the Regents do not often disapprove a new program proposed by a registered institution (personal interviews). Nevertheless, the Regents' program approval process, administered by the State Education Department, imposes additional bureaucratic hurdles and delays on CUNY colleges seeking to establish new programs (personal interviews).

In the summer of 1998 the Regents established new standards for teacher education programs across the state, undertaking a significant departure from the routine registration process. Specifically, beginning in 1999, 80% of the

graduates of every education program in the state must pass the state teacher exam, or the program will be threatened with deregistration (and therefore closure) (see Regents Task Force on Teaching, 1998).

CUNY presently operates teacher education programs at eight colleges. In 1997-98, only one of the eight programs (City College) had a pass rate in danger of falling below the 80% threshold. But the Regents have announced their intention to make the certification exams more difficult. If so, some CUNY officials believe that one or more of the university's education programs will be in danger of decertification (interviews).

Institutional policy approval

Every public and private institution of higher education in the State of New York must submit a Master Plan to the Regents every four years. The Regents have statutory authority to review the Master Plans of every institution, and that authority is specifically defined to include the Master Plan of CUNY (N.Y. Educ. Law sec. 237). Institutional Master Plans must be consistent with the Regents' Statewide Plan for Higher Education, which is issued every eight years (N.Y. Educ. Law sec. 237; see also New York State Board of Regents, 1996).

The Master Plan requirements at CUNY and SUNY are more specific than those at other institutions of higher education. The State Education Law requires CUNY's Master Plan to include a number of particular policy dimensions, including plans for new curricula, new facilities, and changes in admissions policies (N.Y. Educ. Law sec. 6206).

There is disagreement about whether the CUNY Board's decision to remove remedial students from the senior colleges requires a Master Plan amendment and the approval of the Regents. CUNY and the Regents have made conflicting public statements about this matter (see Arenson, 1998c); the two sides have differing interpretations of provisions of the State Education Law and regulations of the State Department of Education (see N.Y. Educ. Law secs 237(2), 6206(3); Laws of 1995, Chapter 82, sec. 137; New York State

decision about admissions, but more broadly the scope of the Regents' authority to approve institutional policy at CUNY.

The influence of the Regents, past and future

For the last several decades, the Regents have been largely irrelevant to decisionmaking at CUNY. Most of their attention has been focused at the K-12 level (personal interviews with members of the Board of Regents; see also McCall, 1998), where they also have broad authority under the State constitution and education law (See N.Y. Constitution, Art. XI, sec. 2; N.Y. Educ. Law sec. 207). Even the new teacher education standards were largely motivated by their interest in improving K-12 schooling. Moreover, CUNY's decisions have been approved routinely, though the Regents' review process imposes procedural costs on the establishment of new programs.

But the Regents may be transforming themselves from a procedural hurdle into a force to be reckoned with in higher education. At least some of the Regents hope to focus more of their attention on higher education in the near future (personal interviews with Regents). Through the State Education Department, they have already expressed their intention to review CUNY's plans to change admission standards in the senior colleges (see Arenson, 1998c). Their interest in higher education is evident not only in their attention to changes at CUNY and their imposition of new standards for teacher education programs, but also in dramatic fashion in their recent intervention at Adelphi University, where they removed the president and the entire board of trustees.

To be sure, the Regents are unlikely to attempt anything so ambitious at CUNY. Their authority over CUNY is in one important respect inferior to their authority over private universities in New York. New York's private universities are corporations established by charters which the Regents grant. The State Education Law makes clear that "The regents may remove any trustee of a corporation created by them for misconduct, incapacity, neglect of duty, or where it appears to the satisfaction of the regents that the corporation has failed or refuses to carry into effect its educational purposes" (N.Y. Educ. Law sec. 226.4). But CUNY (like SUNY) was not established by a charter granted by the Regents; instead, it was created by the State legislature and written into statute (N.Y. Educ. Law sec. 6201). As a result, the kind of extraordinary action undertaken at Adelphi could be performed under comparable circumstances at CUNY only by the State legislature, not by the Regents. While the role of the

Regents with respect to CUNY is somewhat more limited than it is with respect to private institutions, the role of the legislature is larger.

Nevertheless, the potential influence of the Regents over CUNY is substantial. If the new outcome standards for teacher education programs become the model for the Regents' activity in the higher education realm, they will exercise increasing authority over CUNY. Moreover, their reforms in K-12 schooling in New York may have an indirect influence at CUNY. In November 1997, the Regents established new statewide requirements (to be imposed gradually over the next several years), under which all students must pass five subject-matter Regents' examinations in order to graduate from high school.² Large numbers of incoming CUNY students now require remedial coursework as a result of inadequate preparation in high school (see the Task Force report on remedial education). The preparation of incoming students may, however, improve substantially if the Regents' new high school graduation requirements are effective. In sum, the Regents possess both direct and indirect avenues of authority that could have a significant impact on CUNY in the near future.

II. 80TH STREET: THE CUNY BOARD OF TRUSTEES AND CENTRAL ADMINISTRATION

The City University is an amalgam of community, senior, hybrid, and graduate institutions, many of which operated as independent units until they were confederated to create CUNY in 1961. Prior to 1961, the City's Board of Higher Education was responsible for the governance of these independent colleges, but there was no central administration or chancellor with administrative responsibilities over the various campuses. The former Board of Higher Education is now the CUNY Board of Trustees; when the University was established in 1961 a central administration was created, including the position of chancellor.

Composition and appointment of trustees

² See the new graduation requirements on the New York State Education Department's web site at <http://www.nysed.gov/rscs/gradreq.html/>. The new course requirements are not substantially different from those already required by the New York City public schools, but the testing requirements go well beyond local expectations.

CUNY is a creature of State law; the process of appointment of Board members is defined in the State Education Law. The composition of the Board was reformulated in the mid-1970s, when the State accepted a larger share of financial responsibility in the wake of the near-bankruptcy of New York City (see PricewaterhouseCoopers, 1998b for an explanation of the sources of CUNY's revenue). Today, the Board includes 17 members: ten trustees are appointed by the State Governor "with the advice and consent of the senate," five trustees are appointed by the Mayor of New York City "with the advice and consent of the senate," one trustee is the chair of the University's student senate, and one trustee, without a vote, is the chair of the University's faculty senate (N.Y. Educ. Law sec. 6204).³ This appointment process is fairly typical for public universities around the country (though most public universities are not "city" universities and therefore do not include mayoral appointments).

At CUNY, both the mayoral appointments and the gubernatorial appointments must include "at least one resident of each of the five boroughs of the city of New York" (N.Y. Educ. Law sec. 6204). Otherwise, the law imposes no requirements on the qualifications of members of the Board. In particular, the law does not attempt to ensure that trustees have a measure of independence from their appointing authorities (an independence which is considered desirable for most university boards). Today, three members of the Board work for the departments of City of New York, and several others have close connections with City government.

Once appointed, CUNY's trustees have some structural insulation from politics--as is typical of most public university boards across the country. First of all, they serve relatively lengthy terms: seven years, renewable for seven more. Second, the Governor and Mayor cannot remove trustees with whom they disagree on matters of policy. Trustees may be removed from the Board (by the authority who appointed them) only for misconduct, neglect of duties, or mental or physical incapacity. Again, this protection is typical of public university boards across the country, which were designed not to be directly accountable to

³ The faculty trustee is not permitted to vote because the faculty at CUNY are unionized. According to differing (but perhaps complementary) reports, either (a) the union opposed giving a vote to the faculty trustee because collective bargaining rights might be lost if the faculty were considered part of CUNY management; or (b) the state legislature did not want to give a unionized faculty member a vote on collective bargaining issues because a conflict of interest would result (personal interviews). The union will be discussed further in the section on college governance.

political officials, but to be stable and independent guardians of the public trust. The appointment of the Chair and Vice-chair of CUNY's Board, by contrast, is a matter of direct political accountability: trustees serve in those positions at the pleasure of the Governor (N.Y. Educ. Law sec. 6204). In this regard, CUNY is unusual; a more common pattern involves election of board officers by the members of the board themselves (interview, Association of Governing Boards, Washington DC).

In practice, some CUNY trustees have continued to serve long after their terms officially ended because the elected officials in charge of appointments failed to appoint replacements. A few years ago, the terms of more than half of the serving trustees were beyond their expiration dates (Newman, 1994). Recently, the Governor and Mayor have devoted more attention to CUNY and appointed a significant number of new trustees.

Formal functions of board and chancellor

The State Education Law defines the formal functions of the Board of Trustees and the chancellor as well as the appointment process. First of all, the law clearly grants the Board educational authority over CUNY, announcing that "The board of trustees shall govern and administer the city university. The control of the educational work of the city university shall rest solely in the board of trustees which shall govern and administer all educational units of the city university" (N.Y. Educ. Law sec. 6204). The law further enumerates the particular responsibilities of the board to encompass the University's facilities, faculty appointments, budgets, degrees, programs, and courses (N.Y. Educ. Law sec. 6206). Meanwhile, the law adds that the chancellor, appointed by the Board, "shall be the chief educational and administrative officer of the city university and ... shall serve at the pleasure of the board of trustees" (N.Y. Educ. Law sec. 6206). The powers of the board are thus defined far more extensively and specifically than those of the chancellor.

The subservience of the chancellor to the Board is unexceptional, as is the Board's ultimate authority over broad policy decisions. Nevertheless, it is worth pointing out that these statutes do not clearly define limits to the operational role of the board. In most universities, boards are granted wide general powers over basic policy matters, as they are at CUNY. But at most universities, the role of the board is presumed (implicitly if not explicitly) not to extend to matters that are essentially administrative details. At CUNY, by contrast, the Board's

enabling statute repeatedly declares not only that the board will “govern,” but also that it will “administer” (N.Y. Educ. Law secs. 6204, 6206). In short, the roles of Board and chancellor are not clearly differentiated in the statute. Indeed, the endorsement of the Board’s “administrative” authority leaves the role of the chancellor ambiguous.

The deterioration of central decisionmaking at CUNY

At most universities, while boards are ultimately responsible for major policies, the chancellor is expected to exercise leadership, implementing policy by pursuing a clearly defined university mission which is endorsed by the board. The relative responsibility for defining the university mission differs at different institutions; in recent years, trustees at many institutions, including CUNY, have taken a more active role in setting policy agendas. Regardless of whether the articulation of a university’s broad goals is initiated by the chancellor or by the board, effective leadership of the institution requires agreement between the board and the chancellor about those goals (see DiBiaggio, 1996).

Historically, the CUNY Board largely followed the lead of its chancellors (personal interviews). Ann Reynolds was appointed chancellor by a Board that was committed to the University’s tradition of open access, and that was willing to follow her lead in most matters. By the mid-1990s, however, a number of new Board members were not content to be led by the chancellor, and wished to move the University toward a new emphasis on high academic standards. Not surprisingly, conflicts arose both in substantive policy and leadership style. The trust between the administration and the Board eroded as trustees began to perceive that they were being manipulated and denied access to information. Ultimately, the level of distrust grew so great that the Board felt the need to gather information about University operations using non-administration sources (personal interviews).

The Board’s frustration with the chancellor’s leadership was augmented by a growing sense that the administration was ineffective in executing Board policy across the University. As the relationship between Board and chancellor evolved from one of cooperation to one of competition, the joint decisionmaking process was poisoned. The process reached its nadir in May of 1997, when the Board was surprised to discover that students were about to graduate from Hostos Community College without having passed the CUNY Writing Assessment Test (CWAT). The CWAT is given to all incoming students at CUNY

to evaluate whether they need remedial education in writing. Some colleges, including Hostos, established policies (with Board approval) requiring passage of the CWAT before a student could advance into required English courses (see the Task Force report on remediation). Some members of the Board apparently came to believe that they had a University policy making passage of the CWAT a requirement for graduation. Unbeknownst to the trustees and the chancellor, in 1995-96 Hostos substituted other measures to permit students to move out of remedial courses and into the general curriculum. Five days before the commencement ceremony, the Board announced that students at Hostos would not be permitted to graduate unless they passed the CWAT. Approximately 125 students did not graduate as a result. The incident suggested that the chancellor and Board were poorly informed not only about practices at the colleges but also about their own policies (personal interviews; Mendez v. Reynolds, 174 Misc.2d 647, 665 N.Y.S.2d 402 (1997); Arenson, 1997a; Arenson, 1997b).

In short, the deteriorating relationship between Board and chancellor reduced the effectiveness of both. The poor working relationship and growing disagreement about the University's goals made Reynolds' continued service as chancellor untenable; she left CUNY a few months after the Hostos debacle.

The continuing dysfunctionality of central decisionmaking at CUNY

Despite the fact that nearly all of the top University officials of the Reynolds administration have departed, a healthy, working relationship between Board and administration has not been fully restored. The effectiveness and trustworthiness of the University administration remains in doubt by some members of the Board (personal interviews).

Frustrated by the perceived ineffectiveness or intransigence of University administrators (both during the Reynolds administration and since), trustees have tried to take on more of the responsibility of running the University (personal interviews). Even some members of the Board agree that the Board devotes too much time to administrative details. For example:

- On more than one occasion, the board has argued over descriptions of individual courses, holding up the approval of programs and challenging faculty control over course content.
- Mundane matters such as personnel actions and contracts for computers and photocopying have consumed significant amounts of trustees' time

and energy; this is encouraged by a law requiring Board approval for all expenditures over \$20,000 (N.Y. Educ. Law sec. 6218).

- In the pursuit of academic standards—an appropriate arena of Board activity--Board committees have mandated use of a particular set of standardized tests despite unresolved concerns about the validity of the tests. (In this instance, the Board's frustration may have resulted directly from a dispute about the tests among University administrators.)

It will be difficult for the Board to get out of the business of administering the University until a permanent chancellor is appointed. The current chancellor and deputy chancellor have only interim status; the temporary nature of their tenure necessarily limits their ability to lead. Unfortunately, however, CUNY is finding few qualified candidates in its chancellor search. One potential candidate who declined to be considered for the position has suggested that this difficulty is due in part to the aggressiveness of the Board's efforts to administer the University (personal interviews; Arenson, 1998b). CUNY's leadership is caught in a vicious cycle: the trustees began intervening because they lost confidence in the chancellor, but their intervention has made it harder to recruit a qualified chancellor.

The shortage of qualified candidates for the position of chancellor may also be partly attributable to the perception that elected officials have excessive influence in University decisionmaking. As noted above, several members of the Board of Trustees work for the City of New York. Some observers believe that elected officials (especially the Mayor) have used their influence to undermine the traditional independence of the Board (personal interviews; Arenson, 1998b). This perception was reinforced by the Board's decision, consistent with a proposal of the Mayor (see Arenson, 1998a), to exclude students in need of remedial work from the senior colleges; all of the Mayor's appointees supported the proposal.⁴

Perhaps the largest obstacle to the hiring of a chancellor, and the most serious disability of the Board of Trustees, is the lack of consensus among the trustees about the fundamental mission and goals of the University. Most

⁴ This is not to say that elected officials should have no influence in the University's governance structure. The essential roles of elected officials in CUNY's governance will be addressed in the section on "Reform of CUNY's external accountability structure" at the end of this report.

observers--including several members of the Board itself--agree that the Board is deeply divided. The clearest public indication of this division was the decision to remove remedial courses from the senior colleges, which passed the Board with the bare minimum number of votes necessary for a policy change. Some observers perceive as many as four or five distinct factions on the Board. The Board has no forum that is specifically designed to promote consensus among its members and to permit them to frankly discuss ultimate ends.

In sum, CUNY's leadership is not functioning properly. Many members of the Board continue to lack confidence in the administration, and this lack of confidence encourages the Board to undertake administrative tasks rather than focusing on broad policy issues. Administration, however, should properly be the task of the chancellor and other administrative officers hired by the board for that purpose; trustees are selected not for their expertise as administrators but to settle large issues of educational policy. In practice, while the Board is heavily engaged in administration, it makes only limited and painful progress in matters of major policy because the members of the Board lack consensus on the University's fundamental goals.

III. WHAT IS CUNY? THE CENTRAL ADMINISTRATION AND THE COLLEGES

The willingness of the trustees to act as administrators derived in significant part from a perception that the University administration was ineffective. The controversy over community college graduation requirements seemed to vindicate this perception, as the administration admitted that it was unaware of changes in practice made by individual colleges. Apparently, the University leadership had little knowledge about or control over the actions of individual colleges. Although personality conflicts and errors of judgment may play a role in the weakness of the University's central decisionmaking, this section will argue that the central weakness is also attributable to the structure, history, and culture of the relationship between the colleges and the University.⁵

⁵ Personal assessment of individual players in the drama is not the purpose of this report, which aims to assess deeper structural questions.

The formal structure of the University

CUNY's constitutional documents do not establish a strong central authority, instead making clear that the central administration has only limited power over the various colleges. First, the Bylaws of the Board of Trustees explicitly limit the chancellor's authority "with the understanding that the authority, functions, and appellate powers of the presidents with regard to the educational administration and disciplinary affairs in their several colleges will not be abridged" (sec. 11.2). Reinforcing the point, the Board's Manual of General Policy declares that "The focus of major decision-making is properly at the college level" (page 289). Finally, the Bylaws further establish that the college presidents report directly to the Board, rather than reporting through the chancellor (sec. 4.2). (Note that at the University of California, the University of Texas, and other state systems, the college heads are responsible to the university's chief executive officer.)

Indeed, the limitation on central authority over the colleges is not just a matter of the Board's desire to constrain the chancellor and central administration. The State legislature has further institutionalized the autonomy of the colleges--constraining not only the University administration but also the CUNY Board. By statute, the State allocates funds separately to each senior college; once funds are allocated, the University Board and administration may not adjust the collegiate allocations by more than 3% (N.Y. Educ. Law sec. 6206). And despite the Board's broad authority over educational policy at CUNY, it may not close any of the colleges without the express approval of the State legislature (sec. 6206).

The culture of collegiate independence

The strong protection of collegiate autonomy in State law and the Board's bylaws reflect the history and culture of the University. CUNY was not created out of whole cloth. Many of the constituent colleges (including, most prominently, Brooklyn, City, Hunter, and Queens) existed independently before the City University was established in 1961. Both college presidents and faculty regard CUNY as a loose confederation rather than a unified system.

One example of the culture of collegiate independence can be found in the University's long-standing struggles to establish University-wide articulation agreements. Despite frequent attempts by the Board and the central administration to streamline transfer between CUNY's community and senior

colleges (Chancellor's Advisory Committee on Articulation and Transfer, 1993), the system is far from seamless. Transfer agreements must be reached one by one between individual departments, because faculties fiercely protect their right to grant credit for courses taken in other colleges. In some cases it is easier for a CUNY community college graduate to transfer to a 4-year college outside of CUNY than to another CUNY college (personal interviews).⁶

A second--and quite dramatic--example of the culture of collegiate independence is the recent proposal (motivated in part by CUNY's request to the colleges to think creatively about responses to the new policy on remediation) by two college presidents to consolidate Queens College and Queensborough Community College into a "University at Queens." This would involve even greater autonomy from the authority of CUNY, including the establishment of non-consortial doctoral programs housed at the campus rather than centrally at the CUNY Graduate School and University Center (GSUC).

Although the University at Queens proposal is unusually bold, it represents a broader consensus: college presidents and faculty expect that most of the important decisions about educational policy will be made at the campuses, rather than centrally.⁷

The failure of CUNY-wide academic planning

The power of the colleges with respect to the central administration is perhaps best illustrated by the story of the most ambitious attempt to centralize power at CUNY in the last quarter-century. According to some accounts, Ann Reynolds was the first CUNY chancellor who tried to run the University as a system rather than a confederation of independent colleges. In the critical realm of academic planning, she initiated a major effort to establish strong central leadership in 1992. That effort produced a number of measurable changes in the operation of the University, but ultimately did not succeed in establishing the central administration (or the Board) as the arbiter of University-wide academic priorities.

⁶ To be sure, there are strong reasons that courses at different colleges should not be regarded as equivalent. CUNY data shows that test scores of incoming students vary dramatically, and grades are not consistently correlated with test scores across the colleges. Earning a passing grade is much easier at some colleges than at others.

⁷ Here no judgment is implied about the merits of centralized vs. decentralized decisionmaking. The point is merely descriptive.

The Goldstein Report

In a time of shrinking resources, elected officials began to suggest that the University should demonstrate a commitment to the efficient use of public funds. The Reynolds administration believed that this would require CUNY to act more like a system--by setting academic priorities, consolidating duplicative, under-enrolled programs, and demanding greater differentiation of the missions of the various colleges. In March 1992, Reynolds appointed an Advisory Committee on Academic Program Planning consisting of four college presidents and six distinguished professors, and chaired by Leon Goldstein, president of Kingsborough Community College. The Goldstein committee was asked to advise the administration "in the formulation of a central planning effort" (in Reynolds' words) to increase collaboration across colleges, protect core missions and academic quality, increase efficiency, and preserve student access (Chancellor's Advisory Committee on Academic Program Planning, 1992, p.2). In December 1992, the committee issued its report, which became known as the "Goldstein Report."

The report noted that shrinking resources made conscious academic planning imperative: between 1988-89 and 1992-93, full-time equivalent enrollment at CUNY increased by 8.7% while State and City funding declined by 17.5% (Chancellor's Advisory Committee on Academic Program Planning, 1992, p.11). Nevertheless, the committee believed that coordinated planning could make the cuts less painful, and even provide the means of improvement, announcing that "if CUNY could conceive of itself and act as a *unified* institution, it would have opportunities that are not available to it within the current context of the rigidly defined boundaries surrounding each college" (emphasis in original). It argued that "Opportunities may exist ... to enhance the vitality and the quality of each of the colleges and, at the same time, to allocate program resources more effectively to meet the educational needs of the City and the State." These opportunities might be realized, the Goldstein committee believed, "(1) by concentrating and differentiating program offerings among the several colleges and the University, (2) by strengthening and developing programs in specific areas, and (3) by improving our ability to share scarce program resources, including full-time faculty." In sum, the report advocated "envisioning the University less as a community of wholly discrete organisms

and more as a single complex organism” (Chancellor's Advisory Committee on Academic Program Planning, 1992, p.3).

In several “areas of significance to the City and the State”, the committee suggested expansion of University offerings: notably mathematics and science teaching, various health programs, and some language and ethnic studies programs (p.23). The bulk of the report, however, was devoted to proposals to consolidate programs that were considered unnecessarily duplicative. It suggested that, while some programs must be available close to students' homes, for others “it is reasonable to assume students will travel beyond their home communities to attend” (p.25). A hundred pages of the report were devoted to specific (tentative) suggestions for the abolition or consolidation of degree programs at various campuses across the University, in dozens of fields ranging from philosophy to accounting, from physics to secretarial science.

These changes would necessarily involve a considerable shift of power from the campus level to the University level. Central coordination was essential for making the consolidations work, so that the University as a whole could continue to offer a wide variety of programs, even if each college would not offer every major. The committee argued that “greater scrutiny and direction, within a framework of strategic planning, should be applied to the development, expansion, and review of new and existing programs at all degree levels in the University and to the strategic management of the University's enrollments across its various programs” (pp. 23-24). University-wide information systems would have to be developed or improved for registration, financial aid, enrollment, courses offered, and degree programs. Articulation of courses across colleges would have to be improved. A common course numbering system would have to be implemented. In short, the Goldstein report contemplated greater centralization of planning than had ever been seen at CUNY.

The response at the colleges

The report met a firestorm of resistance (personal interviews; see also Newman, 1992; Newman, 1993). Although it was intended to be only a starting point for discussion of possible program consolidations (specific recommendations were tentative, prior to a more intensive review proposed by the committee), faculty perceived the report as the product of an autocratic decision process imposed by the administration without adequate consultation at the campus level. The report was criticized for the crudeness of its analysis,

which depended largely on an examination of the number of students majoring in various programs, without considering service courses for non-majors, or other, non-enrollment based criteria of performance. The committee's assumption that many students could commute to other campuses for some of their courses was derided as hopelessly unrealistic, given the inaccessibility of many campuses and the job and family commitments of students. Because a number of the consolidation recommendations were directed at programs in the liberal arts, many critics perceived the report as an assault on liberal education, especially at campuses with large enrollments of racial and ethnic minority students. And, not least important, the report threatened faculty jobs. In short, the college faculties vociferously opposed the central administration's effort to set University-wide priorities, to make the University work more like a system, and to reduce some of the independence of the colleges.

The Academic Program Planning process

In the face of strong internal opposition, the University administration decided in the summer of 1993 to back away from the more ambitious recommendations of the Goldstein report (personal interviews; Weiss, 1993). Instead, the administration proposed a new Academic Program Planning (APP) policy, which was adopted by the Board of Trustees in June 1993 (Board of Trustees, 1993). As adopted by the Board, the APP resolution went out of its way to respect the autonomy of the colleges. It began by noting that "the next phase of academic planning will substantially depend upon campus initiatives within established governance procedures," adding that "the Board of Trustees endorses the continuation, and where needed, initiation or intensification, of campus-based planning, program review and program development activities." In substance, the resolution required "that all academic programs be subject to a formal, periodic review procedure, including both self-study and external assessment." The following spring, the Board approved more specific guidelines for the review procedure (City University of New York, 1994). These guidelines required an assessment of every program in the University at least once every ten years. Reviews must include assessments of student outcomes, courses offered and enrollments, resources, faculty activity, satisfaction of students and alumni, and external recognition. Notably, however, the guidelines placed responsibility for the reviews squarely with the colleges, "under the leadership of the College President and in accordance with the College governance plan."

The University's APP policy has initiated some serious thinking about priorities at the college level. Each college has instituted program review procedures, and the colleges have chosen to close a number of weak programs: between 1993-94 and 1997-98, the University closed and deregistered 174 programs. The total number of programs offered at the University declined by 6.7% (from 1371 to 1279) between 1993 and 1998. All programs are now subject to regular review, and 40% of programs CUNY-wide--514 in all--were reviewed in the first four years after the establishment of APP guidelines (City University of New York, 1998a). Finally, some colleges have used the process to clarify their own academic priorities and more sharply define their missions (interviews).

The retreat from University-wide planning

Although the APP policy has had some success in clearing away dying programs, it lacks the teeth to induce the kind of dramatic changes envisioned by the Goldstein committee. The weakness of central academic planning is implicit in the "reward" process put in place to encourage the colleges' APP efforts. When funds were available for additional faculty lines, the central administration allocated a few positions each year to colleges which it regarded as successful in implementing APP priorities (personal interviews). But the criteria for performance were not clearly understood by the colleges, the total number of lines available as a reward was never substantial, and a norm of egalitarianism soon compelled the University to distribute the lines broadly among the colleges, rather than continuing to reward colleges that consistently showed progress toward implementing APP priorities (personal interviews; see also PricewaterhouseCoopers, 1998a).

The commitment to egalitarianism among colleges is powerful at CUNY. The central administration has never attempted to reallocate faculty lines from one college to another on the basis of successful implementation of APP objectives, or other measures of performance.⁸ Indeed, the central administration's inability to set priorities among the colleges is perhaps most clearly evident in the history of its budget requests to the State. Ten years of

⁸ At the community colleges, budget and faculty lines are significantly dependent on enrollment; senior college budgets and faculty lines are based largely on inertia (PricewaterhouseCoopers, 1998a). A "Base-Level Equity" formula introduced in 1994-95 has allocated some lines to senior colleges with growing enrollment (City University of New York, 1995). The university is now developing a performance-based budgeting proposal which may ultimately make a difference in this regard (PricewaterhouseCoopers, 1998a).

budget requests show no attempt to reallocate funds among colleges: not once in the last decade did the University administration request a reduction of funds for even one of the 17 community and senior colleges (see the Chancellor's Budget Requests, 1988-89 through 1998-99). To be sure, this pattern is not unique among universities or agencies of government. Nevertheless, it suggests that resources do not follow performance at CUNY.

The role of the University leadership--both administration and Board--in academic planning is far less significant than originally envisioned by the Goldstein committee. Even when a few APP lines were available for performance, the lines were awarded in the service of college plans, not CUNY plans. The University leadership has chosen to encourage the efforts of the colleges, rather than lead the way in setting University-wide priorities. While this may lead to improvements at some colleges, the fact that planning decisions are made at the colleges means that the University has no mechanism to make comparative evaluations of programs across colleges.

CUNY is a confederation, not a unified system

In sum, CUNY does not today operate as a system in which collaboration is expected, redundancies are discouraged, and colleges are evaluated on a common metric in the service of University-wide goals. Although the independence of the colleges may have countervailing benefits, it creates large obstacles to central leadership. Moreover, the University administration's inability to reallocate resources among the colleges translates into an inability to reward performance and discourage failure. In consequence, colleges are not given strong incentives to perform, and much of the benefit that might be associated with decentralized, college-based autonomy is lost.

IV. COLLEGE GOVERNANCE AND OBSTACLES TO COLLEGE PERFORMANCE

The absence of strong central authority and the absence of systematic incentives for the colleges to achieve are coupled with significant structural obstacles constraining leadership at the college level. In consequence, many--but not all--of the colleges perform poorly. In the words of a former college president, "On any measure of performance, CUNY maximizes the variance."

Although college presidents have considerable power to thwart the initiatives of the University administration, this does not mean that they have wide latitude to execute their own plans.

The formal structures of college governance

The wide variation in the performance of CUNY's colleges is not attributable to wide variation in collegiate governance structures. The formal governance structures at the various CUNY colleges are not strikingly dissimilar to each other. Although each college has its own constitutional governance document, those documents are approved by the Board of Trustees, which has established a general model of college governance in its Bylaws. Variations from that model are not great. Colleges are governed by a faculty council, which consists of the college president, deans (if any), department heads, one additional faculty representative from each department, and additional at-large delegates (Bylaws sec. 8.7). College presidents are appointed by the CUNY Board, and may be removed by the Board. The president is described by the Bylaws as "an advisor and executive agent of the board." Vice-presidents, provosts, and deans (positions which vary at different colleges) serve at the pleasure of the president. Department heads, by contrast, are elected by departmental faculty for renewable three-year terms (Bylaws sec. 9.1.b).⁹ The sole exception to this rule is at the Graduate School, where the heads of each doctoral program, known as executive officers, are appointed by the president of the Graduate School (Bylaws sec. 9.4). The department is considered to be the primary locus of control over matters of curriculum, but the college faculty council has authority to approve new programs and courses (sec. 9.1.a).

Just as the collegiate governance structures have a great deal in common, the obstacles to collegiate performance, and especially to presidential leadership, are fairly universal across CUNY. Presidents are subject to constraints from both above and below. These obstacles, described in interviews with presidents and faculty at a number of colleges (or apparent in CUNY's governance documents),

⁹ While department heads are elected at many universities, they are appointed by administrators (deans or presidents) at many others. A tradeoff between democratic decisionmaking and strong administrative authority is implicit in the mechanism chosen for selection of department heads. CUNY's mechanism favors democracy. Although this surely imposes some constraints on presidential leadership, few presidents or deans at CUNY complain about the election of department heads.

can be classified in three groups: burdensome process requirements, faculty inertia, and a cultural norm of equality.

Procedural obstacles

The procedural burdens on the colleges begin with the process of establishing new programs. The creation of a new program requires the approval of not only the college's own governance structure, but also the CUNY administration and Board, and finally the Regents. The University's Office of Academic Affairs recently imposed a limit of two new programs to be considered for approval at each meeting of the Board, which means that, on average, each college will have only one new program per year considered for approval. These burdens have created the incentive for some colleges to maintain programs that have no students, in an attempt to avoid the bureaucratic hassles associated with re-establishing a program if interested students should appear.

Second, processing of applications for undergraduate admission is centralized at the University level and slow. Assignment to a particular college does not occur until the CUNY Skills Assessment Tests (in reading, writing, and math) are scored; scoring of the writing test (the CWAT) takes a considerable amount of time. Some colleges believe that they lose students to non-CUNY competitors that admit students more quickly and recruit students more personally.

The CUNY Research Foundation, while formally independent of the University administration, is another central bureaucracy which imposes substantial procedural burdens on faculty who are doing funded research. Moreover, in the judgment of many faculty, the Research Foundation provides incompetent service. Fortunately, the University is now considering reforms suggested by an external management review of the Foundation.

Faculty entrenchment

At all universities, the pace of change and the possibilities for bold leadership are constrained by the fact of faculty tenure. At CUNY, a number of factors contribute to greater than average faculty entrenchment. First of all, CUNY faculty earn tenure fairly rapidly, after five years--as defined in both the Bylaws (sec. 6.2) and in the State Education Law (sec. 6212). Nationally, nearly 70% of tenure clocks run longer than this; the most common time frame for tenure is seven years (National Center for Educational Statistics, 1996, Table

4.3)¹⁰. Not surprisingly, the proportion of CUNY professors who are tenured--82%--is higher than the national average of 71% at comprehensive public institutions (in 1992) (National Center for Education Statistics, 1997). The disparity is especially prominent among assistant professors, for whom the tenure rate at CUNY is 44%, compared to an average of 20% at public institutions nationally (in 1995-96) (National Center for Education Statistics, 1998, Table 240).¹¹ Similarly, CUNY lecturers earn Certificates of Continuous Employment (CCEs)--giving them virtual tenure--after five years (Bylaws, sec. 6.4). 86% of CUNY's full-time lecturers have CCEs. Finally, the University's retrenchment rules constrain presidents' ability to remove unproductive faculty members even in times of fiscal austerity. Within departments, faculty must be retrenched in order of seniority; the college's academic priorities are irrelevant. Again, this is required by the Bylaws and by the State Education Law (sec. 6212).¹² By contrast, at most universities--even those with unionized faculties--administrators have authority during times of retrenchment to dismiss a tenured faculty member in favor of an untenured faculty member in order to maintain academic priorities (see Rhoades, 1993).

Indeed, the major method CUNY has used to induce changes in faculty personnel in recent years--the early retirement incentive--has only increased the difficulty of maintaining academic priorities. The retirements that follow from the incentives have been unpredictable, sometimes leading to the decimation of important program areas (personal interviews). Both the retrenchment policies and the early retirement policies undermine efforts to promote campus-wide academic priorities and programmatic coherence.

The norm of equality

¹⁰ At public comprehensive universities nationwide, 84% of tenure clocks run longer than five years, the most common period is six years, and 40% run seven years or more (National Center for Educational Statistics, 1996, Table 4.3).

¹¹ At CUNY, tenure is conferred with reappointment to a sixth year of service, while promotion to Associate Professor is a separate decision (interviews).

¹² To be sure, the rapid tenure clock and the existence of the CCE as well as the retrenchment rules may derive in part from the power of the faculty union. Nevertheless, it is important to note that these policies are not merely part of collectively bargained contracts, but are ensconced in the University's Bylaws or the State Education Law.

Perhaps the leading characteristic of CUNY's institutional culture is a strong commitment to equality. The most prominent representation of this commitment, of course, is the policy of open admissions¹³; but the commitment is clear in many other contexts as well. Across-the-board pursuit of this norm leads, in some circumstances, to unproductive incentives. As we have already seen, egalitarianism applied to the colleges has prevented the establishment of a resource allocation system which rewards performance.

Applied to faculty salaries, egalitarianism creates similar incentive problems. The CUNY wage scale, negotiated through collective bargaining with the faculty union, requires that all professors of the same grade are paid the same salary. At equivalent grades, faculty salaries are the same in the community and senior colleges, for engineers, economists, philosophers, and poets. Neither scholarly productivity nor market demand makes a difference in the scale. This creates serious difficulties in recruiting and retaining high-quality faculty in fields such as business and engineering, where market rates are higher than the scale permits. These problems have grown more serious in recent years, because faculty salaries at CUNY have not kept up with inflation, declining (in real dollars) by 9% to 13% (depending on rank) between 1990 and 1997. The problem, then, is not only the rigidity of the scale, but a steady erosion of salaries across the board.

One effect of the salary scale constraint appears to be evident in CUNY's doctoral programs. According to rankings of the National Research Council, CUNY has nine doctoral programs ranked among the top 20 in the nation in their fields (Goldberger et al., 1995). All nine are in the humanities, where market rates for faculty are relatively low. None are in physical sciences or engineering. Nationally ranked doctoral programs require competitive faculty salaries.

The new faculty contract attempts to reverse some of the erosion in faculty salaries, installing across-the-board raises of three percent effective in February 1998, four percent more in May 1999, and two percent more in October 1999 (City University of New York, 1998b). It also makes a concession toward recognizing greater salary differentials, authorizing the creation of 50 positions CUNY-wide with salaries higher than the standard pay scale would permit. But

¹³ It should be noted that CUNY's open admissions policy is often misunderstood. The policy means that graduates of New York City high schools are entitled to a place somewhere in the university, but not at any particular campus. Admission standards vary at the senior colleges.

the distribution of the positions has been influenced by an egalitarian norm: rather than distributing all of the positions to the fields with highest market salaries, the University is planning to distribute many of the positions by giving one to each college (personal interviews).

Although the rigidity of the salary scale was a subject of frequent complaint, only a few of the administrators interviewed complained about the unionization of the faculty per se. Indeed, the Professional Staff Congress (the faculty union) supported the recent creation of 50 positions with salaries above the usual scale, and agreed to an additional program of one-time \$5000 bonuses for excellence--actions which earned the PSC the praise of administrators. Nevertheless, some advocates of change at CUNY perceive the PSC as a powerful force in favor of the status quo. The PSC's focus on the interests of its existing members prevent it from seeing the need for recruiting strong new faculty, according to one interviewee. In addition, several interviewees viewed the faculty union as an exemplar of the culture of egalitarianism, promoting "a mentality that no one is any more meritorious than anyone else," and opposing significant efforts to measure and reward faculty productivity. It should be noted that, in terms of research output, the unionization of faculty may be an obstacle to achievement: although faculty unionization is not uncommon, it is exceedingly rare at prominent research universities. Among the 32 public universities which are members of the prestigious American Association of Universities, not more than three have unionized faculties (Hurd, 1996).

At the college level, the norm of equality is also evident in tuition policies. Colleges are not permitted to charge differential tuition even if the demand for their programs would justify it. State law gives the Board the power to set tuition rates, but requires that "All students enrolled in programs leading to like degrees at the senior colleges shall be charged a uniform rate of tuition, except for differential tuition rates based on state residency" (N.Y. Educ. Law sec. 6206).

Maximizing the variance

In sum, at the college level as well as the University level, structural weaknesses and obstacles to strong leadership abound. In the context of (a) the lack of coherent incentives to achieve and (b) constraints from above and below, wide variation in the performance of the colleges should be expected. This wide variation is evident on any number of measures of performance. Six-year graduation rates, for example, vary from 18% to 40% for bachelor's degrees and

from 7% to 34% for associate's degrees. Similarly, the proportion of students passing the state teacher certification exam varies from 40% at one CUNY college to 88% at another (Grinage, 1997). Five-year enrollment trends vary from a 23% decline at one college to a 35% increase at another. The colleges that are succeeding are doing so despite the constraints of the system. In too many ways, CUNY's governing structure is characterized by the worst elements of both centralization and decentralization: red tape without coherent leadership.

V. ALTERNATIVES TO THE CURRENT STRUCTURE

This section must begin with a caveat: diagnosis is easier than treatment. Although the analysis of the weaknesses of CUNY's governance structure suggests possibilities for reform, results cannot be guaranteed. Higher education governance is not an arena in which causes and effects can be clearly identified through carefully controlled experiments. Institutional change generally happens piecemeal and at the margin, rather than systematically; pure models of reform are rarely available for evaluation. In consequence, the reforms suggested below should be regarded as tentative. They are promising alternatives to a dysfunctional status quo.

Central leadership and local autonomy: accountability for outcomes

Reform of governance at CUNY should seek to capture some of the advantages of both centralization and decentralization. Effective decentralization would have the advantage of providing maximum flexibility to the colleges, which are at the center of CUNY's educational enterprise. Some benefits might result from permitting competition among the colleges. Effective centralization can establish comparative standards for the success of the diverse colleges in meeting the goals of the University, the City, and the State; and create system economies by encouraging the differentiation of collegiate missions that should lead to each college establishing its own comparative advantage in particular fields.

Moving too far in either direction would be imprudent. Total decentralization--breaking up CUNY into entirely independent colleges--would seem to be unwise, because the Graduate School and University Center (GSUC) supports a number of good to excellent doctoral programs that could not be

supported individually by any of the colleges. At the other extreme, complete unification (for example, abolishing the presidencies of the colleges in favor of deanships) would move too much authority away from the locus of the educational enterprise, undermining the individual identities of the colleges and reducing their flexibility in responding to students' needs.

But strong, effective University leadership is not incompatible with substantial collegiate autonomy. Centralization and decentralization are not simply opposite poles of a unidimensional continuum. An effective governance structure would place some functions under central control while most decisions remained decentralized at the college level. The distinction between central and local functions might largely reflect the distinction between means and ends. In particular, the University leadership could establish a governance structure which provides incentives for collegiate performance and permits the colleges to make the administrative decisions leading to high performance. At present, the University attempts to control the colleges largely through process-based accountability mechanisms. Red tape might be reduced and performance might improve if the University shifted toward a system of outcome-based accountability.

In brief, a system of accountability for outcomes aims to:

- *set clear standards for performance,*
- *provide incentives for performance and disincentives for nonperformance,*
- *and simultaneously reduce bureaucratic obstacles to performance.*

Outcome-based accountability is viewed with increasing favor among higher education reformers (see, e.g., Atwell, 1996). Examples in New York State are not hard to find. The Regents' recent decision to impose outcome standards on teacher education programs across the state has been discussed above. They have clearly defined the performance goal (an 80% passage rate), and have provided a strong incentive to reach the goal (the threat of deregistration), but they have not made procedural demands about how the goal will be reached; those decisions are left to the teacher training institutions. The Regents' interest in outcome-based accountability is not limited to teacher education: their latest strategic plan, released in August 1998, announced their intention to set general performance standards for institutions of higher education (Regents of the University of the State of New York, 1998).

Indeed, SUNY is already headed this direction, as indicated in recent efforts to compile a sophisticated and comprehensive list of performance variables for individual campuses (SUNY System Provost's Office, 1998). SUNY's efforts suggest that outcome measures of performance need not be excessively blunt or overly simple. To be sure, establishing acceptable outcome measures is not an easy task, because institutions of higher education perform multiple functions aiming at multiple goals. Both political leaders and the CUNY Board should resist establishing singular measures of performance. Outcome measures should be diverse enough to reflect all of the various services performed for the students, the city, and the state by the University (Atwell, 1996).

In addition, outcome measures should account for variations in inputs: a college with better-prepared incoming students will produce more successful graduates than a college with ill-prepared incoming students, even if both colleges are doing an equally good job of improving the education of their students. Outcome measures should therefore attempt to measure "value added" by the college, accounting for baseline differences in student populations.

CUNY itself has begun to take a few steps toward outcome-based accountability, initiating a "performance-based budgeting process" (described in PricewaterhouseCoopers, 1998a). If performance-based budgeting is to be more effective than prior efforts to set CUNY-wide priorities (e.g., the Academic Program Planning process), it should carry more than marginal consequences for performance and nonperformance. In addition, it should hold colleges accountable for absolute (value-added) performance as well as performance improvement. Colleges which are already performing well should not be penalized for their success.

Pursued vigorously, outcome-based accountability would require University-wide leadership in the establishment of goals and standards, while authority for the administration of plans to achieve those goals would devolve to the colleges. Once University-wide outcome standards are established and incentives to encourage achievement of those standards are put in place, the colleges should be freed from burdens hampering their pursuit of achievement (Atwell, 1996). For example:

- The salary structure should not preclude the hiring of high-quality faculty in scientific and professional fields.
- Colleges should have incentives to abolish dying programs and to establish valuable new programs.
- Colleges should be permitted to retain funds that they save or earn, whether through administrative efficiency, creative fundraising, or high demand. Programs in high demand could be permitted to increase tuition and invest the additional revenue in program improvements.

The necessity for consensus at the top

Setting University-wide outcome standards is impossible without consensus on the purposes of the University. Defining the purposes of the University is surely the most important function of the Board of Trustees. To be sure, the definition of purposes should not be carried out by the Board in isolation; the process should be collaborative with the University's other stakeholders--including, most prominently, the faculty and the elected officials who represent the public. But the Board has ultimate responsibility for the governance of the University, and it should therefore take the lead in clarifying the University's mission.

Effective leadership by the Board requires consensus among the members of the Board. Within the Board, those in leadership positions must work to create a consensus. This will require, first of all, a willingness to focus on ultimate goals rather than administrative details. It might involve the establishment of procedures designed to encourage dialogue among trustees, such as private weekend retreats during which open discussions can be held. Requirements for open meetings preclude the Board from making policy in private, but should not preclude consensus-building efforts (though care must be taken to ensure that the Board is not perceived as engaging in secretive, backroom policymaking).¹⁴

Moreover, it is essential that the Board and University administration work as allies rather than adversaries. This involves, first of all, the appointment

¹⁴ If the open meetings law does preclude all private meetings of the Board, then the law should be amended (Association of Governing Boards, 1998; DiBiaggio, 1996).

of a permanent chancellor who holds a vision of CUNY's purposes and goals which is consistent with that of the Board. The division of responsibility between Board and chancellor should be clearly defined (Penney & Chesloff, 1996), and the chancellor should be given wide discretion over administrative matters (Atwell, 1996). By the same token, the Board and University administration should give college presidents wide discretion over administration of their respective colleges. One reform in this direction--already suggested by PricewaterhouseCoopers (1998a)--would be abandonment of the policy that requires Board approval for all expenditures over \$20,000. Too much of the Board's time is now devoted to minor budgetary details.

Reform of CUNY's external accountability structure

Finally, the relationship between the Board and the elected officials who appropriate its budget and appoint its members should be clarified. It is essential that elected officials, including the Mayor, the Governor, and the state legislature, play a significant role in the definition of the University's mission and structure. CUNY is a public institution, funded by public money; the public's interest should be represented by their elected officials. Indeed, because CUNY is a creature of state law, reform of its governance structure will in many cases require the active participation of elected officials. To the extent that CUNY's failures derive from fundamental weaknesses in its governance structure, it will be unable to reform itself from within. Elected officials should be expected to take the lead in initiating systemic reforms at CUNY.

In sum, the influence of elected officials is appropriately expressed through their statutory authority to define CUNY's structure and mission, their control over CUNY's budget, and their appointment of trustees. Beyond that, however, at most public universities it is considered appropriate for the trustees to have a degree of independence from the officials who appointed them, when dealing with the day-to-day governance of the university (Association of Governing Boards, 1998). Such independence encourages deliberative decisionmaking and creates a stable environment for the university, making it easier to recruit high-quality trustees and administrators. The Board's relationships with the administration and faculty are likely to benefit from a degree of independence. The perception of political interference, by contrast, creates instability and lowers morale. The university leadership, including both the Board and the administration, may function more effectively in the long term

if elected officials are less directly involved in the governance of the university.

In consequence, the Mayor and Governor may wish to consider establishing a blue-ribbon process for the appointment of the members of the Board of Trustees. Such a process would involve the creation of independent nominating committees who would recommend highly-qualified candidates to the Mayor and Governor. Individuals who work for the city or state might be excluded from consideration. Although this would reduce the direct influence of the Mayor and Governor on the Board, it might have substantial long-term benefits. Given the dysfunctionality of university decisionmaking in recent years, it is understandable that elected officials would lose patience and seek to impose changes directly. But if the governance reforms suggested here are undertaken, the functioning of the university might improve sufficiently that the elected officials would no longer feel the need to directly influence the Board.

Indeed, reform of the trustee appointment process is one of a number of ways in which the external accountability systems imposed on the university might be usefully clarified. As the governance chart early in this report demonstrates graphically, the university is procedurally accountable in various ways to various organs of government. The city and state share responsibility for allocating funds to the university; the largest share of allocations come from the state, by agreement of the Governor and the legislature. Appointment of trustees is shared by the Governor and the Mayor. The Regents, on the other hand, lack the power of the purse, but have authority to approve programs and impose standards; the full extent of that authority is a matter of dispute. All of these authorities—Governor, Mayor, legislature, and Regents—are independent of each other, and they frequently disagree about both means and ends in higher education. Reform of this external governance system is beyond the power of decisionmakers at the university. Here again, reform requires elected officials to take the lead. Clarification and simplification of this system through statutory change might permit the CUNY leadership to govern more efficiently.

Across the United States, institutions of higher education are wrestling with failing systems of governance (Benjamin et al., 1993). Although few are as troubled as CUNY, many are experiencing the same kinds of problems at a lower level of intensity. With regard to the need for unified leadership and the value of an independent board, there is widespread agreement. Outcome-based accountability, however, is a relatively untested idea in higher education. Many

institutions have begun considering reforms like those described above, and a few places have begun experiments. Nevertheless, no major university systems have fully implemented outcome-based accountability on a large scale for a long enough period of time to permit retrospective evaluation. This means that outcome-based accountability should be regarded as a promising alternative rather than a guaranteed performer. But it also means that CUNY has the opportunity to establish itself as a leader in higher education reform in the next decade.

BIBLIOGRAPHY

- Adler, Madeleine Wing, and Frederick S. Lane. (1991). "Higher Education and the State: The Politics of Policy Malaise." In Howard Samuels State Management and Policy Center (Ed.), *Finance and Reform: Education in New York State*. New York: City University of New York.
- Arenson, Karen W. (1997a, July 18). "Criticized by Board, CUNY's Chief Quits for Job at Alabama." *New York Times*.
- Arenson, Karen W. (1997b, June 24). "CUNY Chancellor Responds to Accusations on Tests." *New York Times*.
- Arenson, Karen W. (1998a, May 7). "Pataki-Giuliani Plan Would Curb CUNY Colleges' Remedial Work." *New York Times*.
- Arenson, Karen W. (1998b, June 11). "Qualms on Politics Are Thinning Field for Top CUNY Job." *New York Times*.
- Arenson, Karen W. (1998c, Aug 13). "Regents Assert Right to Approve CUNY's Plan for Remedial Work." *New York Times*.
- Association of Governing Boards. (1998). *Bridging the Gap Between State Government and Higher Education*. Washington, DC: AGB.
- Atwell, Robert H. (1996, Winter/Spring). "Higher Education Governance in Despair." *Journal for Higher Education Management*, 11: 13-20.
- Barba, William C. (1995). *Higher Education in Crisis: New York in National Perspective*. New York: Garland Publishing.
- Benjamin, Roger, Stephen Carroll, Maryann Jacobi, Cathy Krop, and Michael Shires. (1993). *The Redesign of Governance in Higher Education*. Santa Monica, CA: RAND.
- Board of Trustees. (1993, June 28). *Resolution on Academic Program Planning*. New York: City University of New York.
- Bowen, Frank M., Kathy Reeves Bracco, Patrick M. Callan, Joni E. Finney, Richard C. Richardson, and William Trombley. (1997, Spring). *State Structures for the Governance of Higher Education: A Comparative Study*. California Higher Education Policy Center.
- Callan, Patrick M., and Frank M. Bowen. (1997, Spring). *State Structures for the Governance of Higher Education: New York Case Study Summary*. California Higher Education Policy Center.
- Chancellor's Advisory Committee on Academic Program Planning. (1992, Dec 2). *Report to the Chancellor*. New York: City University of New York.
- Chancellor's Advisory Committee on Articulation and Transfer. (1993, June 30). *Report to the Chancellor*. New York: City University of New York.
- City University of New York. (1994, April 22). *University-Wide Guidelines for Formal, Periodic Academic Program Review*. New York: CUNY.
- City University of New York. (1995, Dec 1). *Progress Report on Academic Program and Other Planning Activities*. New York: CUNY.
- City University of New York. (1998a). *Academic Program Planning Report*. New York: CUNY.

- City University of New York. (1998b, July 6). *Memorandum of Agreement for a Successor Agreement between the City University of New York and the Professional Staff Congress/CUNY*. New York: CUNY.
- DiBiaggio, John. (1996, Winter/Spring). "The Role of the President in University Governance." *Journal for Higher Education Management*, 11: 21-28.
- Goldberger, Marvin L., Brendan A. Maher, and Pamela Ebert Flattau (Eds.). (1995). *Research-Doctorate Programs in the United States*. Washington: National Academy Press.
- Grinage, Jeanine L. (1997, Nov 10). *Annual New York State Teacher Certification Examinations Institution Results Report*. Albany: New York State Education Department. 97-16.
- Hurd, Richard. (1996). *Directory of Faculty Contracts and Bargaining Agents in Institutions of Higher Education*. New York: National Center for the Study of Collective Bargaining in Higher Education and the Professions. Volume 22.
- McCall, H. Carl. (1998, Sep). *New York State's Higher Education Policy Vacuum*. Albany: New York State Comptroller's Office.
- National Center for Education Statistics. (1997, July). *Instructional Faculty and Staff in Higher Education Institutions: Fall 1987 and Fall 1992*. Washington: NCES. NSOFP-93.
- National Center for Education Statistics. (1998). *Digest of Education Statistics 1997*. Washington, DC: U.S. Dept. of Education.
- National Center for Educational Statistics. (1996, Nov). *Institutional Policies and Practices Regarding Faculty in Higher Education*. Washington: NCES. NCES 97-080.
- New York State Board of Regents. (1996). *Excellence and Opportunity for All New Yorkers: The Statewide Plan For Higher Education, 1996-2004*. Albany: New York State Department of Education.
- New York State Department of Education. (1996, Dec 5). *What Requires Master Plan Amendment Approval*. Albany: Office of Higher Education. <http://unix5.nysed.gov:80/ohpe/ocue/reqmpa.htm>.
- Newman, Maria. (1992, Dec 9). "CUNY Plan is Questioned by Faculty." *New York Times*.
- Newman, Maria. (1993, Feb 28). "CUNY Reorganization Unites Students and Faculty in Anger." *New York Times*.
- Newman, Maria. (1994, March 14). "Failure to Replace Trustees Weakens CUNY, Critics Say." *New York Times*.
- Penney, Sherry H., and Jondavid Chesloff. (1996, Winter/Spring). "The Future of Higher Education." *Journal for Higher Education Management*, 11: 9-12.
- PricewaterhouseCoopers. (1998a, December). *Planning and Budgeting at the City University of New York: Final Report*. New York: Mayor's Advisory Task Force on CUNY.

- PricewaterhouseCoopers. (1998b, December). *Review of Revenues and Expenditures at the City University of New York: Final Report*. New York: Mayor's Advisory Task Force on CUNY.
- Regents of the University of the State of New York. (1998, Aug). *Leadership and Learning for the Best Educated People in the World*. Albany: New York State Department of Education.
- Regents Task Force on Teaching. (1998, July 20). *Teaching to Higher Standards: New York's Commitment*. Albany: New York State Education Department.
- Rhoades, Gary. (1993). "Retrenchment Clauses in Faculty Union Contracts." *Journal of Higher Education*, 64: 312-47.
- SUNY System Provost's Office. (1998, July). *Task Force Report on Performance Indicators and Merit-Based Performance Funding*. Albany: State University of New York.
- Traub, James. (1994). *City on a Hill: Testing the American Dream at City College*. Reading, Mass.: Addison-Wesley Pub. Co.
- Weiss, Samuel. (1993, June 5). "Head of CUNY Drops Plan to Cut Course Offerings." *New York Times*.