System Regulation and Governance: Ireland and the International Context

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21st Century Universities: Performance and Sustainability
Irish Universities Association
Dublin, Ireland
29 September 2014
Focus

• Relationship between public institutions and 50 State Governments

• Public higher education:
  – Enrolls 72% of all students
  – Includes 29 of the 52 major US research universities that are among the top 100 universities in Shanghai Ranking

• Public Institutions: Subject to complex system governance and regulation affecting both substantive and procedural autonomy
"What becomes clear ... is that the real need is not simply for more autonomy but for a relationship between the university and the state that is constructive for both, built up over a long period of time by careful attention on the part of all parties."

Frank Newman (1985)
US System Regulation and Governance

• Institutional Governance: Boards of Trustees or Regents Roughly comparable to Irish Governing Authorities

• State higher education structures:
  – Half the states: Large governing systems
    • Centralized Institutional Governance
    • 65% of public higher education enrollment
    • Encompass major university such as UC Berkeley, UW Madison, and UNC Chapel Hill
  – Half States: Decentralized institutional governance balanced by statewide coordination
US System (Continued)

• Statewide boards (Comparable to HEA):
  – Have degree of independence from state political leadership AND institutions
  – Maintain balance between: Institutional autonomy AND system coordination and public accountability
  – Have Capacity for:
    • Taking a long-term, objective view of the needs of the state and higher education system as a whole,
    • Providing objective analysis and advice to the Governor and State Legislature on critical issues facing the state
Major Areas of Procedural Regulation by Non-Higher Education Agencies

• Finance policy and budget
  – The state executive departments for finance and budget development (roughly comparable to the Ministries of Finance and Public Expenditure and Reform in Ireland)
  – Legislative committees responsible for finance and appropriations
Procedural Regulation (Continued)

• Executive Branch Agencies (non-HE) Regulate:
  – Procurement
  – Capital planning and construction
  – Human resources:
    • Civil service Status
    • State Pension and Health Plans
    • Position Controls
US and Ireland Compared

• Irish Structure: More Similar to Coordinating Board States (Virginia) than States with Large Systems (California or New York)

• Irish Governing Authorities:
  – Larger
  – More Internal Stakeholders
  – Less Political Involvement in Appointment

• Irish Universities Have Greater Substantive Autonomy than US Public Universities
Comparison (Continued)

• HEA has Role and Powers Similar to US Coordinating Boards, Except:
  – HEA does not have Program/Course Approval Authority
  – HEA more involved in Institution-Level Issues

• Regulation by Non-Higher Education Agencies Entities Raise Similar Issues in Both Countries
Major Tensions in State/Higher Education Relations

• Sharp declines in state funding of higher education
• Increased expectations for performance from state reforms aimed at developing a long-term “public agenda.”
• University strategies to ensure sustainability in an increasingly competitive environment
• Counter pressures for re-regulation
Percent Change by State, Fiscal 2008-2013

-50.7% to 17.6%
Public agenda reforms

• Develop long-term state goals to:
  – Narrow gaps in access, participation, completion between the state’s majority and minority populations
  – Link higher education to the state’s future: environment for innovation and economic competitiveness, quality of life, sustainable communities and regions
  – Maintain affordability for students and state
Changing role of statewide coordinating agencies

• Shifting away from regulating institutions
• Strengthening strategic role: Leading the state’s public agenda
• Retaining responsibility for:
  – Approving institutional missions
  – Holding institutions accountable for performance related to public agenda goals
  – Monitoring institutional performance to identify potential risks and recommend actions as necessary
• Leading systemwide initiatives that address issues that
  – Support institution-level change.
  – Cut across institutions and sectors
Changing Finance Policy

• Framing funding decisions by clear state goals
• Ensuring coordination of the decisions regarding state appropriations, tuition and fees, and student financial aid
• Recognizing that both students and institutions need a degree of predictability in financing
Changing State Role in Regulation

• Providing public institutions with the management flexibility needed to reform core practices

BALANCED BY

• Accountability for Performance Related to State Goals: Example: Virginia

• Decreasing the involvement of statewide coordinating boards in issues that are more appropriately the responsibility of institutional governing authorities
Institutional Strategies for Sustainability

• Competing tuition-paying students (out-of-state, foreign)
• Increasing global prestige (“world class)
• Paying only limited attention to fundamental change:
  – At academic core
  – Traditional business model
• Market (Students and Academic Staff):
  – Driving HEIs away from serving states/regions
  – Fueling mission drift to higher cost models
Institutional Sustainability (Continued)

• Some Institutions (Major Public Research Universities) Can Compete and Thrive

• Others (Access-Oriented Public HEIs):
  – Sustainability at Risk
  – Many Will Have to Change Radically in Mission and Modes of Delivery to Survive
Counter pressures for re-regulation in economic crisis

- Reinstituting centralized regulations/controls
- Abandoning public agenda reforms
- Reinstating centralized, short-term budget and finance policies and controls:
  - Centralizing controls in the budget process, in public employment, and in the expenditure of state funding
  - Providing no room for long-term strategy such as linking long-term strategic goals to strategic finance policy
Weakening of statewide coordination

• Governors are gaining control of the previously independent coordinating agencies

• States are assigned regulatory tasks that draw them back to their previous roles

• Higher education agency staff capacity and competence for strategic leadership is limited:
  – Cuts in number of positions
  – Salary limitations
  – Politicization of appointment process
Concerns About Capacity to Reach State and National Goals

• Growing Concerns that:
  – The Nation and States cannot reach their goals in a way that is:
    • Affordable to students AND the state
    WITHOUT
    • Fundamental changes in configuration and cost-structure of the higher education system
  – Sustainability of many institutions (especially access-oriented institutions) is at risk
Overall policy environment for change

• Growing concern that:
  – The current state-level policy environment is a major barrier to the needed reforms
  – Policy-making processes and structures for system governance and regulation established for an earlier time are not adequate for the future.
Observations About Ireland: Progress Since 2004 OECD Review

• Developing the National Strategy for Higher Education to 2030
• Bringing more coherence to the tertiary education system through reforms related to the Institutes of technology (IoTs)
• Establishing Quality and Qualifications Ireland (QQI)
• Moving the HEA to a more strategic role
• Undertaking the challenging Higher Education Landscape process
Ireland Compared to US

• Higher education reforms now underway in Ireland are more far-reaching than most many of the US reforms

• Few states have:
  – Confronted the reality that the configuration of their higher education is unsustainable
  – Undertaken a process of reconfiguration as comprehensive as the Landscape process
Shared Challenges Related to System Regulation and Governance

– Establishing Long-Term Goals at the Highest Level of Government Taoiseach/Governor) Higher Education System Performance to the Future of the State/Country

– Linking Strategic Finance Policy to Long-Term Goals

– Strengthening Capacity for Independent Systemwide Strategic Policy Leadership for the System
Shared Challenges (Continued)

– Undertaking regulatory reform (e.g., human resources) linked to commitments for improved performance (outcomes) related to national goals at both:
  • System level
  • Institutional level

– Strengthening Institutional Capacity to Lead and Manage Change
Recommendations

Recommendation 1: Establish a limited number of high-level **strategic goals** at the level of the Taoseach and Cabinet that link the Higher Education policy to broader national strategic goals. Align **accountability measures and strategic finance policy** with these goals.
Recommendation 2: Establish a venue at the level of the Taoiseach and the Cabinet, led by the Minister for Education and Skills, charged with:

• Sustaining attention to and monitoring progress of the whole higher education system toward strategic goals

• Ensuring a link to strategic finance policy, and promoting coherence across multiple entities.
Recommendations (Continued)

Recommendation 3: Link strategic finance policy to strategic goals at level of Cabinet/Ministry of Finance

Recommendation 4: Continue to strengthen the role of the HEA in strategic policy leadership for the system as a whole

• Delineate functions in two directions:
  – Relationship between the HEA and the institutions
  – Relationship between HEA and the Department of Education and Skills
Recommendations (Continued)

• Recommendation 5: Undertake a systematic external review of the impact of regulations on the capacity of the system to achieve goals and long-term sustainability, including:
  – The role, responsibilities and capacity of the HEA to carry out a more strategic mission
  – Regulations related to human resources, finance, information technology, procurement, and other procedural areas
Recommendations (Continued)

• Recommendation 6: Continue to strengthen institutional governance and leadership.
Conclusion

• Challenge for both Ireland and US states: how to create a policy environment that:
  – Makes possible achievement of national goals with limited resources (Both State and Students)
  – Enables institutions to manage fundamental change
  – Holds institutions accountable related to national/state priorities
Conclusion (Continued)

• Top-down mandates and regulation have a limited--if not negative impact--on fundamental change within academic institutions
The Hierarchical Realities

- Exec. & Legislative Branches of Govt.
- System
- President
- Vice Presidents
- Deans
- Department Heads
- Faculty/Academic Staff

Goal Setting

Accountability

Implementation
The system [education] is *bottom heavy* and *loosely coupled*. It is bottom heavy because the closer we get to the bottom of the pyramid, the closer we get to the factors that have the greatest effect on the program’s success or failure. The system is loosely coupled because the ability of one level to control the behavior of another is weak and largely negative...

The skillful use of delegated control is central to making implementation work in bottom-heavy, loosely controlled systems. *When it becomes necessary to rely mainly on hierarchical control, regulation, and compliance to achieve results, the game is essentially lost.*

Richard F. Elmore, *Complexity and Control: What Legislators and Administrators Can Do About Implementing Public Policy*
Conclusion (Continued)

Ultimately, developing public confidence and accountability is not about bureaucratic structures but about building trusting relationships and informal communication networks between higher education and key stakeholders: students, policy-makers, and other external stakeholders.