

# **A Review of Consolidations of Postsecondary Systems: The Alaska, Minnesota, and Connecticut Cases**

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Prepared for  
The Community College System of New Hampshire



National Center for Higher Education Management Systems

January 22, 2021

## Introduction

Like other states in the northeast, New Hampshire faces a converging set of challenges—a long-term decline in the number of high school graduates in the state and across the region and fiscal conditions made suddenly worse by the COVID pandemic. The demographic challenge is especially problematic in New Hampshire, a state where public colleges and universities are heavily reliant on tuition revenue to support operational costs. Tuition rates are higher in New Hampshire than in any other state in the country and only in Vermont are the institutions more reliant on tuition as a source of revenue.

Public higher education in New Hampshire is organized into two systems: the University System of New Hampshire (USNH) and the Community College System of New Hampshire (CCSNH). USNH has six constituent institutions that collectively serve over 16,000 state residents and over 30,000 students altogether. CCSNH is a system of seven institutions operating 12 campus sites throughout the state. The CCSNH institutions enroll more than 26,000 students. Each system is led by a Chancellor. In fall 2020, Chancellor Todd Leach of the USNH announced he was planning to step down from his position at the end of the calendar year. In response, the USNH trustees announced that they did not plan on immediately naming a successor. Instead, they appointed a chief administrative officer to shepherd the responsibilities of the system while they reviewed “the options and plans for the future of public higher education in New Hampshire,” relying on Chancellor Leach to serve in an advisory role through June 2021. At the same time, CCSNH is being led by an interim Chancellor, Susan Huard, who has made public her own plans to step down.

The crises perpetuated by the fiscal challenges created by COVID and the long-term expected demographic decline have led state policymakers to raise questions about whether combining the two systems into a single system might conserve resources; the leadership openings in both systems provide the state with an opportunity to explore that possibility. State policymakers have floated possible ideas for consolidation, and while their opportunity to file bills that would create a merger of the systems has passed, the possibility remains that Governor Sununu could include a merger proposal in the budget bill that he will put forward in mid-February 2021.

Within this context, CCSNH leadership felt that any upcoming debate about consolidating the two systems should be informed by case studies of similar efforts in other states. Of particular relevance is information about how consolidations of other systems have impacted the systems themselves and their respective institutions, especially relating to the provision of educational programs throughout the state and the experience of students. While restructuring within public postsecondary education is not unusual, it is comparatively rare that states merge two **systems** of postsecondary institutions. Mergers of systems can introduce complexities that more common forms of reorganization—reallocations of authority among system offices and their constituent institutions or mergers of institutions, for example—are less likely to encounter. To generate relevant information, CCSNH leadership engaged the National Center for Higher Education Management Systems (NCHEMS) to provide a review of prior consolidations/integrations of systems that might provide useful guidance for New Hampshire.

NCHEMS developed this short paper in response to that need for background information. It is written to provide general information and includes no recommendations about how New Hampshire should proceed. The paper begins with a brief overview of the evolution of systems generally and in New Hampshire specifically, then proceeds to overviews of consolidations of systems in Alaska, Minnesota, and Connecticut. These three cases represent the most relevant system consolidations; all feature systems of two-year institutions being merged with systems of

four-year institutions. There have also been mergers of community college systems and technical college systems in Kentucky and Louisiana. These mergers were excluded from consideration because they did not involve any four-year universities. It should also be noted that there are instances of system dissolution, the University System of Oregon and the Tennessee Board of Regents being prime recent examples. In both these instances, the arguments for dissolution focused on the need to eliminate bureaucratic hindrances to institutional responsiveness to student and employer demands. The bureaucratic hindrances at the core of the issue were those dealing with approval of new programs the institutions viewed as necessary to attract more students and the system viewed as being duplicative.

While it will be evident that specific state contexts play a determinative role in what drove the respective states to consider a consolidation of systems and in how those efforts played out, there are some common threads that run through these different events. The paper draws lessons from these cases in a subsequent section. Finally, the paper offers a set of questions to help New Hampshire policymakers frame their thinking about the design and implementation of a possible consolidation if they ultimately decide to take that step.

## **Overview of State Postsecondary Systems**

Postsecondary governance structures emerge out of each state's unique history and context, and consequently take as many forms as there are states. While it is not the purpose of this paper to cover them in detail, it is useful to provide a brief overview and history of state governance of postsecondary institutions, especially the role of systems, as background to any conversations about restructuring in New Hampshire.

In the 1960s, new public campuses and institutions were created in part to accommodate the massive expansion of college enrollments. These new institutions were often established at the behest of local business and political leaders and included several forms such as:

- Public Land Grant universities established branch campuses in the states' growing metropolitan areas.
- The states' former normal schools, removed from the supervision of the state's K-12 state boards of education, evolved into state colleges with new, broader academic missions beyond preparation of teachers. New programs emerged at these institutions in liberal arts and sciences, and professional fields such as business, nursing, and allied health professions. Pressure soon mounted to develop graduate programs at these institutions as well, despite perceptions that such programs may compete with the Land-Grant university.
- Vocational-technical schools, established under the supervision of the State Board of Education and with expanded support of the federal Vocational Education Act of 1963 (with subsequent amendments in 1968) expanded their missions to include postsecondary programs. While most programs were at the certificate, non-credit level, in some fields such as nursing, the career progress would necessarily mean transfer to a degree-granting institution (e.g., progression from LPN to Associate Degree in Nursing).
- New community colleges offering primarily academic (transfer-oriented) and applied associate degrees expanded with sponsorship by either local districts or state systems. In some cases, these new colleges encompassed the vocational-technical mission. In other cases, they developed in parallel, and often in competition, with established postsecondary vocational-technical schools that were also expanding their missions.

By the mid-1960s, and amid the worsening economic conditions of the 1970s, governors and state legislative leaders grew concerned about the proliferation of public campuses, the intense lobbying for state funding for new facilities and high-cost programs (often from institutions in the same geographical area), and a lack of attention to basic problems such as the transferability credits earned at one institution to another. This cacophony of concerns spurred a nationwide demand by state leaders for improved coordination and consolidation of disparate institutions and systems, with the goal of achieving more effective utilization of public resources. By 1973, all but three states (Michigan and the small states of Delaware and Vermont) had established some form of statewide coordinating or governing structure. About half of the states had consolidated large segments of their public higher education into one or more multi-institution governing systems (e.g., the University of Maine and University of New Hampshire Systems). In most of these cases, community and technical colleges were not included in the new systems. The remaining states established statewide coordinating/regulatory agencies charged with coordinating separate governing boards and institutions: state research universities, state colleges, and community colleges (e.g., the Massachusetts Board of Higher Education and the Connecticut Commission on Higher Education). With only a few exceptions, this pattern of statewide coordination and governance continues today.

In the 1980s and 1990s, the postsecondary vocational-technical systems in several states evolved into systems of degree-granting postsecondary institutions and, as in Maine and New Hampshire, broadened their missions to become community college systems. These institutions were increasingly in competition with neighboring public institutions for students and tuition revenue, conditions which spurred a new round of calls for consolidation. Most of these led to consolidation at the less-than-baccalaureate level: In Connecticut, Kentucky, and Louisiana, as examples, the existing community colleges and postsecondary technical institutions were merged into single community and technical college systems. In only a few cases did these result in consolidation of community and technical colleges with baccalaureate and graduate level institutions, as may be contemplated in New Hampshire. The cases in Alaska, Connecticut and Minnesota discussed in this paper are the principal examples of such consolidation.

As in the earlier period of consolidation, governors and legislative leaders were principally concerned with achieving savings, especially in administrative costs, economies of scale, reducing perceived duplication, eliminating barriers to student transfer, and, in the Kentucky and Louisiana cases, establishing systems that could be more effective in responding to the state's workforce needs.

Beginning in the 1980s, as enrollment demand continued to outpace direct public investment in institutions, state policies both explicitly and implicitly allowed student tuition prices to increase, which accelerated during periods of economic recession. This shift toward a greater deference to market forces had the consequence of making institutions increasingly dependent on tuition revenues as a source of general operational support. The indirect effect in most states was a gradual weakening of the authority of systems to direct institutional behavior in favor of greater institutional flexibility and to reduce what was perceived to be excessive state bureaucracy. These impulses had particularly strong effects for public four-year institutions. Systems of community and technical colleges generally were able to continue to exercise stronger oversight over their institutions, often in partnership with local entities, though they too increasingly came to rely on student payments to support institutional budgets.

Today, as demographic challenges have become more widespread and as state funding has continued to lag behind historic levels, postsecondary education systems have continued to evolve. In some states, systems have stepped up efforts to leverage their collective institutional

capacities—often through technological innovations—in ways designed to create economies of scale that achieve greater operational efficiencies and to drive improvements in academic delivery. These efforts are often at least partially in response to unfavorable demographic and fiscal trends, and a growing demand for workforce-relevant programming, all while ensuring that educational services are available to residents throughout the state through the sharing academic programs and the consolidation of administrative services. System offices that are most effective at evolving in these ways are able to provide policy leadership and serve as a buffer between the institutions and the legislature. In the absence of a natural constituency in the form of actual students, their value can easily be overlooked. At present, these efforts continue to unfold in very different ways in different states.

As New Hampshire considers possible reform in its postsecondary governance, how its current arrangement compares to other states provides a useful foundation for the discussion. States with governing boards differ with regard to the breadth of board jurisdiction—in some systems board oversight is confined to institutions offering programs at the baccalaureate (and above) level, in other systems the board is responsible only for those offering sub-baccalaureate degrees and certificates. In the latter case, there may be further distinctions with respect to whether or not the system also includes institutions that focus on technical programs. Of states with systems, the majority of them oversee institutions in both the four-year and the two-year sectors. A taxonomy of postsecondary governance, especially a brief categorization such as depicted in Figure 1, is certain to overlook important distinctions in how states organize their public institutions. But in terms of the institutions overseen, New Hampshire’s approach of relying on separate systems for two- and four-year institutions most closely mirrors the governance arrangement in Maine and North Carolina.

**Figure 1. Statewide Governing Boards’ Oversight of Institutional Sectors**

Governance of Sectors	States
Two- and Four-Year Institutions are Included in a System (Systems that exclude research universities in <i>italics</i> )	Alaska, <i>Connecticut</i> , Hawaii, Idaho, <i>Minnesota</i> , Montana, Nevada, New York, North Dakota, <i>Rhode Island</i> , Utah, <i>Vermont</i>
Two- and Four-Year Institutions are Included in a Single System, but a Separate Entity Oversees Technical Colleges	Georgia, Wisconsin
Two- and Four-Year Institutions are in Separate Systems	Maine, New Hampshire, North Carolina

Note: States that rely on one or more coordinating boards without any systems, as well as states with coordinating boards along with governing boards that oversee a subset of institutions (like Louisiana), are excluded from this list. The last category includes states that have at least one system as well as separate institutions often in the same sector.

Not only do systems vary by the nature of their constituent institutions, but they have varying levels of authority vis-a-vis those member institutions. Of those authorities that are most critical, some systems direct many aspects of institutional policy, drive the allocation of financial resources to institutions, and exert active oversight over the academic programs and their delivery, while others are more narrowly focused on coordinating administrative services among member institutions and provide a minimal level of governance oversight. Other major areas of distinction concern the composition and the appointment process for members of the governing board itself, as well as the authority exercised by the board and the system chief executive officer in the appointment and review of institutional leaders. Finally, in some state systems,

institutions also have their own local boards to which the state legislature directly delegates narrowly circumscribed responsibilities.

In New Hampshire, the two existing systems differ significantly in the composition of the governing boards and in their exercise of authority. CCSNH's board is appointed in part according to industry representation, and it reserves the authority to review and approve academic programs. USNH's board has a large membership with few direct oversight functions, although its authority includes the appointment of institutional leaders and a limited ability to allocate funding among its member institutions, especially for Keene State College and Plymouth State College. Each institution is a separate legal entity that is a division of the USNH, and the system's charter expressly states that the institutions "are to be permitted to operate with the highest measure of autonomy and self-governance."<sup>1</sup> Unlike many system offices, neither of the system offices in New Hampshire has a large staff.

New Hampshire does not have a statewide entity charged with overseeing all of postsecondary education. But it does maintain a bicameral standing committee of the legislature—the Public Higher Education Study Committee—which exists to keep tabs on the two systems related to operations, missions, organization, size, and financing and financial accountability, as well as the impact of campus operations on the communities in which they are located.<sup>2</sup> In addition, the state Department of Education is responsible for oversight of federal programs and the administration of student financial aid programs. The Department also provides data and information related to postsecondary education.

With this background on how state postsecondary systems nationally and in New Hampshire, the paper now turns to three cases of consolidation that are likely to be most instructive for how a similar effort in New Hampshire may play out. The cases highlight the motivations behind each state's decision to consolidate systems, what transpired in the inevitably messy process of merging disparate entities with their own distinctive missions, cultures, and leaders, and the outcomes that resulted. In each case, the consolidation was disruptive and sowed widespread uncertainty as their respective implementations progressed. Ultimately, the consolidations achieved varied levels of success relative to initial goals, and the resulting systems enjoy very different levels of stability today while all continue to deal with the legacy of the changes. Key lessons that will surface from these states' experiences address how the core missions of academic and vocational-technical instruction were honored and preserved (or not), how the implementations navigated the complications that different reward systems and personnel policies presented in bringing multiple systems together, and the complementary role that state finance policies will inevitably play in supporting (or hindering) the achievement of the consolidation's goals.

## **The University of Alaska System**

In July 1987, the Alaska Board of Regents, responding to a financial crisis precipitated by a dramatic decrease in state petroleum-related revenue, implemented a massive reorganization of the university system. At the time, the cuts in state funding were described as the "largest decrease in funding experienced by an institution of higher learning in the nation in the last 40 years."<sup>3</sup> The reorganization consolidated the university system's thirteen (13) formerly

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<sup>1</sup> New Hampshire Revised Statutes §187-A:16.

<sup>2</sup> New Hampshire Revised Statutes §187-A:28.

<sup>3</sup> Myers N. (1992) Alaska Community College Profile, *Forty-Nine State Systems*, 1992 Edition. Tollefson, T. and Fountain, B. eds., Washington, D.C.: American Association of Community Colleges

independently accredited community colleges (now called community campuses) into one of the three main independently accredited university campuses to create three multi-campus universities (identified as major administrative units (MAUs)): The University of Alaska Fairbanks (UAF), the system's original Land-Grant, doctoral-granting research university; the University of Alaska Anchorage (UAA), a small but growing metropolitan university; and the University of Alaska Southeast in Juneau (UASE, later redesignated as UAS), a small university offering programs at the certificate, associate degree and bachelor's degree levels. Prior to the reorganization, the University of Alaska System had five chancellors reporting to the system president: the chancellors of UAF, UAA, and UASE, the chancellor of Anchorage Community College, and the chancellor of the Division of Community Colleges, Rural Education, and Extension (CCREE). The university system office located in Fairbanks, called "Statewide," carried out centralized functions of finance, comptroller, university counsel, university relations, facilities planning and construction, and computer services. Following reorganization, the system had three chancellors of multicampus universities reporting to the university president.

The reorganization consolidated:

- Two community colleges with UAS.
- Four community colleges with UAA. This included the consolidation of Anchorage Community College, with a substantially larger total enrollment taking a wide range of academic, vocational, and special interest courses, with UAA, which had a smaller enrollment primarily in traditional academic programs.
- Four community colleges with UAF. This included the large community college in Fairbanks as well as three community colleges in northern Alaska towns.

Although the 1987 reorganization intended to streamline the system bureaucracy, it retained the functions of the university system office ("Statewide"):

- Support for the Board of Regents and Office of the President
- Academic Affairs
- Legal Counsel
- Institutional Planning & Studies
- Facilities Planning & Construction
- Finance and Budget
- Land Management
- Human Resource Development
- Computing Services
- Instructional Telecommunications
- Internal Audit
- University Relations
- Affirmative Action
- Alumni Services
- Health Sciences

The 1987 reorganization also established in "Statewide" an Office for Workforce Development to serve as the coordinating point between the University of Alaska System and the state department of education and other agencies of state government regarding vocational technical education.

Several points are important to understanding how the 1987 affected the status of the community and technical college mission of the University of Alaska System:

- All community college programs, faculty, and staff were integrated with UAF, UAA, and UAS.
- The community colleges, now called community campuses, no longer had independent accreditation.

- Each university established a school or college specifically for non-degree vocational-technical programs leading to certificates. As described later, the status of the vocational-technical programs and community college faculty within the new merged institutions was a source of major controversy in the merger and remains an issue more than 30 years later.
- At the time of the 1987 consolidation, the community college faculty was represented by the Alaska Community Colleges Federation of Teachers (ACCFT), later renamed the University of Alaska Federation of Teachers (UAFT) but the full-time academic faculty of the three main campuses were not unionized. The academic faculty at the three main campuses subsequently organized in a separate union, the United Academics (UNAC) in 1996.<sup>4</sup>
- While the community campuses have a few resident faculty, academic programs are delivered using distance technology across the campuses from the main campuses, and in some cases, from one community campus to others.
- The budgets and financing of the community campuses were integrated with the budgets of each of the three multi-campus universities (MAUs). Consequently, tuition rates for the former community colleges were increased to the level of those for the universities. Differential (lower) tuition rates for community college courses were eliminated. Subsequent efforts to reinstitute lower tuition rates for community campuses were not successful in part because funding was not available to replace the revenue loss for the university as a whole.<sup>5</sup> In recent years—and before state funding was once again reduced significantly—the UA, from its own funds, created a scholarship to allow students in CTE programs to essentially pay a reduced tuition fee.

### Historical Context for the 1987 Reorganization

The reorganization and its impact must be understood in the context of the unique characteristics that face Alaska. First among them is the challenge of serving a massive, sparsely populated, and geographically and politically divided state.

The State of Alaska has a population of approximately 731,000 spread over an area of 665,384 square miles, making it the largest state by landmass and the lowest in population density. Approximately 40 percent of the state's population is in the Anchorage metropolitan area (288,000), followed by Fairbanks (the Fairbanks North Star Borough, 96,849), and Juneau, the state capitol (Juneau City and Borough, 31,974). Over the past 50 years, the increased

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<sup>4</sup> The full-time (regular) faculty at the University are represented by two different unions at this time. One union, the University of Alaska Federation of Teachers (UAFT), represents faculty members whose positions and responsibilities originated from the state's community college system. Initially titled the Alaska Community Colleges Federation of Teachers. (ACCFT), this union was certified in 1973 to represent vocational technical and other community college faculty members. The second union, the United Academics (UNAC) was certified in 1996. UNAC's composition was intended to be a mirror image of the UAFT/AAFT membership, representing the full-time faculty at the University who are not represented by the UAFT.

<sup>5</sup> Beginning fall 2018, UA reduced tuition rates by 25 percent in selected Career and Technical Education (CTE) programs. The reduced tuition applies to 50 programs and more than 300 courses at UAA, UAF and UAS. The tuition reduction is applied on a course-by-course basis. As an example, if the 2020-2021 lower division course tuition is \$234 per credit, the tuition reduction would be \$59 per credit. There is no reduction to assessed fees, non-resident surcharge, or other costs. <https://www.alaska.edu/alaska/cte.php>

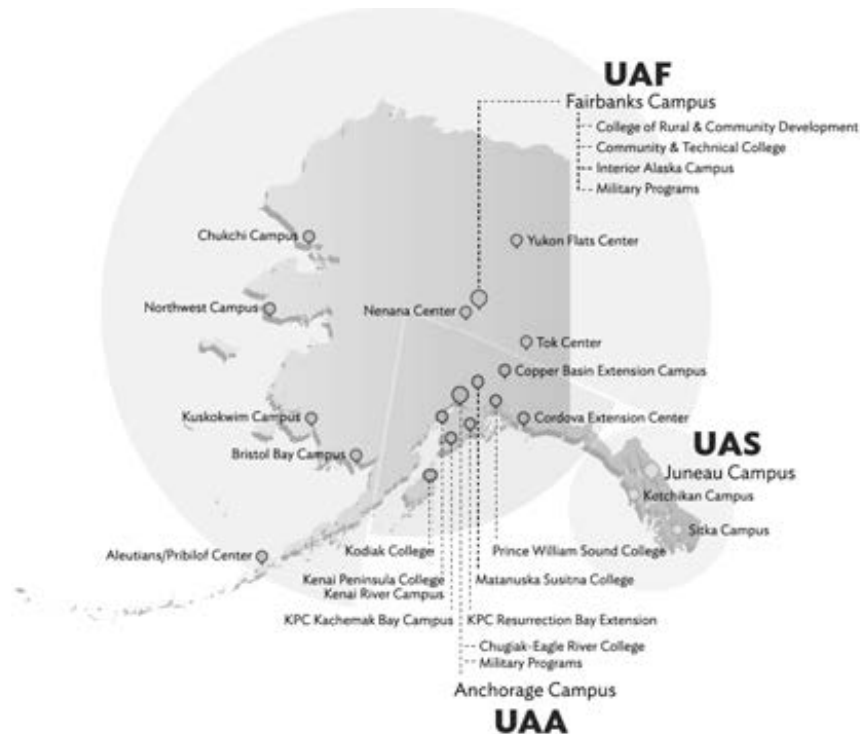


population concentration in Anchorage relative to the other metropolitan areas has contributed to the political dynamics regarding the University of Alaska System priorities.

Native Alaskans constitute 15.6% of the population, proportionately the largest indigenous population of any state. More than 20 native languages are spoken.<sup>6</sup> Beyond the three major metropolitan areas, the population is widely dispersed among small communities scattered across the state's vast landscape. Many of these communities can be reached only by air.

Figure 2 provides a graphic picture of the wide array of University of Alaska campuses, research centers, and other sites across the broad expanse of the state:

**Figure 2. University of Alaska Campuses and Centers**



A second major contextual feature is Alaska's economy, which is heavily dependent on the petroleum industry, tourism, and fisheries as well as the large presence of the US armed services. Major differences among the state's regions in the concentration of these industries create sharp regional differences and contribute to tensions regarding state priorities. The state has always been whipsawed by periods of boom and bust in the petroleum (oil and gas) industry. Periodic efforts to impose an income tax and take other steps to stabilize the state's finances have consistently failed.

These cycles in the state's economy have been the driving forces behind most of the major reorganizations of the University of Alaska, including the 1987 reorganization. In the 1970s with the completion of the Trans-Alaska Pipeline and additional oil discoveries, state revenues surged. The period of dramatic growth came to an abrupt halt in 1985 with the unanticipated world oil glut and the precipitous decline in oil prices. With 90 percent of the state's revenues derived from oil, Alaska lost two-thirds of its annual revenue. The governor and state legislature

<sup>6</sup> U.S. Bureau of the Census, population estimates, July 2019.

responded with a series of sweeping budget cuts.<sup>7</sup> The subsequent budget crisis for the University of Alaska precipitated the University of Alaska Board of Regents's actions to reorganize the system in 1987.

In fact, the 1987 reorganization was not an isolated event, but the culmination of almost 30 years of constant turmoil in the organizational structure of the University of Alaska System, especially in the period beginning with the oil boom in the early 1970s.<sup>8,9</sup>

The University of Alaska was first established as the Agricultural and Mining College in 1917 and began operating in 1922 in College (College is the name of a subdivision of the Borough of Fairbanks in northcentral Alaska). With Alaska's statehood in 1959, the University of Alaska was established in the State Constitution under the governance of the Board of Regents. The regents are appointed by the governor, subject to confirmation by a majority of the members of the legislature in joint session. The Constitution provides that the regents appoint the university president who serves as the executive officer of the board.<sup>10</sup>

The first development of community colleges occurred in the early 1950s. The original Community College Act, enacted by the territorial legislature in 1953, provided for community colleges to be set up by local school districts under the "supervision" of the "sole state agency" for vocational education, the State (at that time, Territorial) Board of Education. The 1953 Community College Act provided that, if the instruction were "academic" (e.g., leading to academic credit), this instruction would be under the oversight of the University of Alaska. While local school boards performed immediate supervision and provided the facilities for the colleges, the Board of Regents established regulations and set qualification standards for the faculty and curriculum pertaining to academic credit courses.

Four new community colleges were established in the 1950s, including Anchorage Community College in 1954 and Juneau-Douglas Community College in 1956. Even in this early period, questions were being raised about whether community colleges should be developed within the University of Alaska or as a separate system, perhaps linked to the Board of Education. The regional accrediting agency, the Northwest Commission on Colleges and Universities, began to raise questions about the impact on the accreditation of the University of Alaska if community colleges that did not meet accreditation standards were included within the university. In what would become a perennial issue, the accreditors questioned including components within a single university that ranged from non-degree vocational technical programs to degree-granting undergraduate and graduate programs.

At the same time, the Board of Regents and university president argued for a unified postsecondary education system. Their concerns, reflected in debates about community college governance over the following 30 years, were that it was inevitable that community colleges would expand their own academic credit-bearing programs for full-time students in addition to their vocational technical programs. It was better from the university's perspective to have these community colleges, especially the academic components, within the University of Alaska rather

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<sup>7</sup> O'Rourke, Patrick J. (1996) "Restructuring as a Way of Life: Alaska," *Restructuring Higher Education*. MacTaggart, T., ed. San Francisco: Jossey-Bass, Inc. Publishers.

<sup>8</sup> Stewart, J. (1984). "Chronology of Organizational Structural Changes in a Community College," a thesis submitted to the Graduate Faculty of Alaska Pacific University, April 1984, pp. 12-13. Accessed at <http://hdl.handle.net/11122/4618>.

<sup>9</sup> O'Rourke, p. 103.

<sup>10</sup> Constitution of the State of Alaska, Article VII, paragraphs 3 and 4. <https://ltgov.alaska.gov/information/alaskas-constitution/>

than have them emerge as competitors for students and state resources in a separate system (as they saw developing in other states).<sup>11</sup>

The debate about the community colleges continued as Alaska gained statehood in 1959. In 1962, the state legislature passed the Community College Act, which sought to build partnerships between the university and local political subdivisions to establish and finance community colleges. Primary control remained with the Board of Regents; however, while academic instruction was to be funded by the university, vocational-technical education was funded by the local entity (mostly through state vocational education funding to the local school districts). In subsequent years following changes in the interpretation of the federal Vocational Education Act, the state vocational education funding was appropriated directly to the university. In effect, the university was the source of 100 percent of the state funding the community colleges received.<sup>12</sup>

The next period of major expansion of community colleges occurred in the decade of the 1970s prompted by a surge in state petroleum revenue. Five new community colleges were established in this decade, including Tanana Valley Community College in Fairbanks. At the same time, the University of Alaska expanded access to academic baccalaureate and graduate degree-granting programs through newly-formed Senior Colleges in Anchorage and Juneau. The university began the decade organized as a multi-campus university in which the President served as both the chief executive of the overall university and chief executive of the original university campus in College, Fairbanks Borough. In this structure, the community colleges, headed by directors, reported to a dean for statewide services who also had responsibility for functions such as cooperative extension. As the demands for expansion intensified in the southcentral (Anchorage) and southeastern (Juneau) regions, the Board of Regents faced growing political pressure regarding the university's leadership and structure. Major themes included:

- Objections to centralized control and the centralized bureaucracy of university statewide functions (finance, facilities planning and development, etc.) dominated by the research university mission of Fairbanks. These were perceived as impeding development in the growing urban areas, especially Anchorage, and responsiveness to local needs by the rural community colleges.
- Tensions between the developing community colleges, on one hand, and the Board of Regents and university president, on the other, regarding a perceived lack of understanding of the community college mission. These concerns rekindled political pressure, including several ultimately unsuccessful bills in the legislature, to remove the community colleges from the university and establish a separate, parallel community college system. These tensions led to the certification in 1973 of the first union, the Alaska Community College Federation of Teachers (ACCFT), the first contract in 1974, and the first strike in 1975 over breach of contract.<sup>13</sup>
- Continuing issues raised by the Northwest Commission for Colleges and Universities regarding accreditation of a university with multiple entities, some of which could not meet the Commission's standards. In 1972, Anchorage Community College gained

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<sup>11</sup> Stewart, p. 23.

<sup>12</sup> O'Rourke, p. 105.

<sup>13</sup> Alaska Labor Relations Agency, *University of Alaska vs. University of Alaska Federation of Teachers and United Academics AAUP-AFL-CIO*, Case No. 08-1537-UC, Decision and Order No. 301, December 18, 2013, pp. 118-119.

independent accreditation, raising issues regarding the potential separation from the University of Alaska.

- Tensions and growing competition at the lower-division level between developing UA Senior Colleges in Anchorage and Juneau offering both lower and upper division undergraduate (as well as graduate) programs, and community colleges, especially Anchorage and Juneau-Douglas Community Colleges, that were expanding enrollment in associate degree-level academic courses. These issues inevitably led to problems with student transfer from the community colleges to senior colleges and to perceptions of unnecessary duplication.

In response to these pressures, the Board of Regents in 1974 first reorganized the university on a regional basis, organizing each region: Northern (Fairbanks), Southcentral (Anchorage), and Southeast (Juneau) in which both the universities or senior colleges as well as the community colleges in each region reported to a regional provost and then to the university president. This structure lasted only a short time.

In 1977, the Board of Regents enacted a massive change from a multi-campus university to a university system leadership and system administration (later called “Statewide”) that was decoupled from the University of Alaska Fairbanks. The president became chief executive officer of the system and a separate chancellor was appointed for the University of Alaska Fairbanks (UAF). The new structure initially organized each region, including regional community colleges, under a chancellor who reported to the president. This structure was soon changed to remove the community colleges from the regional structure and place them under a new systemwide structure that became the Division of Community Colleges, Rural Education, and Extension (CCREE).

In this 1977 reorganization, Anchorage Community College was removed from this structure and its chancellor reported directly to the President. At the same time, the senior college in Anchorage was formally designated as the University of Alaska Anchorage with a mission to expand undergraduate and limited graduate programs to serve that growing metropolitan area. The presence of—and increasing competition between—two university entities, UAA and ACC, in the same location serving the same region set the stage for proposals for merger over the next decade.

The Board of Regents in 1980 mandated the merger of the developing University of Alaska Juneau (the former Senior College) with Juneau-Douglas Community College to form the University of Alaska Southeast (UAS). The controversies surrounding this merger were early precursors of those that would accompany the 1987 system reorganization. These tensions focused on the different roles, reward systems, and workloads of unionized community college faculty compared to university academic faculty then unrepresented by a union. Community college faculty taught primarily vocational-technical, developmental and community interest courses and a few lower division courses and held unranked, untenured positions. The final organizational structure of UAS provided for a separate school for noncredit vocational technical programs (currently named the School of Career Education). Community college faculty

teaching academic courses were integrated with the UAS academic departments while retaining their rights under the existing union contract with the AACFT.<sup>14,15</sup>

### The 1987 Reorganization

It was not until the budget crisis beginning in 1985 that the Board of Regents and president awoke to the realities of leading the sprawling structure of independently accredited campuses created through the 1977 and subsequent reorganizations. Prior to the budget crisis, the Board of Regents had allowed the system to develop in response to political and campus pressures with little attention to long-term strategy or preparation for the inevitable down-turn in the economy.<sup>16</sup> Faced with deepening budget cuts, the Board of Regents and president undertook a review of restructuring options to achieve administrative efficiencies while preserving the capacity of the university to deliver services throughout the state. The Board used the following criteria for considering options:

- Maintenance of academic programs would take priority over administration.
- Missions and functions of the community colleges and university centers would be preserved.
- Programs and services would be continued in all sites currently served through community colleges and rural education centers.
- Programs that had specific and immediate links to the state's economic recovery and development would be organized in a more coherent and efficient manner.
- Local citizen input regarding curriculum and program emphasis would be maintained.<sup>17</sup>

The president and his staff explored various organizational structures and focused on three main options for merging fourteen separately accredited institutions within the system:<sup>18</sup>

1. Reinstating a single multi-campus university administered centrally (basically the structure that existed prior to the 1975-77 reorganization creating a university system).
2. Forming three universities and a single statewide community college; or
3. Forming three multicampus universities with both traditional university and community college missions.

The president recommended option 3 to the Board of Regents in October 1986 and the proposal was adopted to be implemented on July 1, 1987.

The expectation of the Board of Regents was that the merger of 14 separately accredited institutions into three multicampus universities would save approximately \$6 to \$7 million from reduced administrative costs and, to some extent, by narrowing the mission and limiting services such as vocational education outside the major population centers. Because most of the

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<sup>14</sup> Stewart, pp. 67-91

<sup>15</sup> The need to clarify differences in roles, teaching loads, and status of the community college faculty represented by the ACCFT (subsequently renamed the University of Alaska Federal of Teachers, and the University's academic faculty (not unionized until 1996 in the United Academics) would be a source of significant controversy for the next 33 years until resolved by Decision and Order No. 301, by the Alaska Labor Relations Agency on December 18, 2013.

<sup>16</sup> O'Rourke, p. 108-109.

<sup>17</sup> Myers (1992).

<sup>18</sup> O'Rourke, p. 112-113

mergers would occur in the southcentral region (Anchorage), the Board cut an additional \$4 million from the University of Alaska Fairbanks to achieve political balance. The Board also stated a goal to streamline and narrow the role of the statewide administration to focus more on policy.<sup>19</sup>

The reorganization unleashed immediate controversy and intense political pressure on the Board of Regents to reverse its decision. Advocates for community colleges immediately raised questions about whether merging the community colleges with the universities would lead to the abandonment of the community college mission within the University of Alaska. Could programmatic offerings spanning from vocational certificates to Ph.D.'s receive equal attention and support? Could adding missions of the community colleges be accommodated without the universities' losing their attractiveness to more traditional students?<sup>20</sup>

The political opposition led to legislative proposals and ultimately a statewide referendum on splitting the community colleges away from the University of Alaska and creating a dual system. Ultimately, these proposals failed in favor of the position of the Board of Regents and those who argued for the benefits of a unified system in contrast to two systems competing for limited resources amid an economic crisis.

A second major issue arising in the immediate aftermath of the restructuring concerned the status of unionized community college faculty to be merged with the unrepresented academic faculty of the universities. This became a central point of contention, one that, as mentioned earlier, would remain an issue for the next three decades. The union and the Board of Regents had been weathering a contentious relationship over the previous 15 years. The union became a major opponent to restructuring plans, arguing that the collective bargaining agreement constrained the ability of the Board of Regents to reorganize the university. The Board asserted its constitutional authority to establish, close or merge campuses. At an impasse with the union, the Board of Regents "...directed the new universities to integrate the community college faculties fully into the various departments and disciplines so that there would be no distinction between community college and university faculty. In this way, it was presumed that the collective bargaining unit could be eliminated because there was no longer an identifiable 'community of interest,' that is, a community college faculty."

The ACCFT immediately filed a grievance and after more than five years of litigation, the final arbitration awarded the community college faculty \$4 million in damages and the union was reinstated. The mishandling of the union issue was widely viewed as the most serious misstep in the reorganization, one that would wipe out much of the projected savings.<sup>21</sup>

### The Reorganization's Impact

The 1987 reorganization had wide-ranging impacts that are still being felt, and wrestled with, more than thirty years later. Some of those were positive, including:

- A major goal of the consolidation was to achieve cost savings. A legislative audit two years after restructuring confirmed that \$5.1 million in annual savings had been realized. The actual reduction represented about four percent of the state's financing for the university system (OD, p. 24). However, subsequent assessments indicated that some 30 percent of the identified savings grew back in the first five years. The cost of

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<sup>19</sup> O'Rourke, p. 113.

<sup>20</sup> O'Rourke, p. 112

<sup>21</sup> O'Rourke, pp. 118-120

reimplementation of collective bargaining and related damages represented significant costs.<sup>22</sup>

- The consolidation of Anchorage Community College with the developing University of Alaska Anchorage likely contributed to the development of UAA as a comprehensive urban university and removed the negative impact of competition at the lower-division level between ACC and UAA prior to the merger.
- More traditional, baccalaureate-oriented students benefited in terms of transfer from community colleges to universities. However, transfer of credits between the three universities remains an issue.
- The reorganization increased the delivery of academic programs across the state from the main campuses to rural community campuses. Bachelor's degree programs were extended to more distant populations.

These positive outcomes are offset by a number of negative outcomes and unintended consequences, some of which continue to be challenges confronting the state and the system today.

- Community colleges lost advocacy for their mission at the level of the president and Board of Regents. As the foregoing summary of reorganization over the previous 30 years illustrates, the Board of Regents frequently made decisions that exhibited limited understanding of the community college mission as distinct from that of the traditional university.
- The reorganization led to a subordination of the community college mission to the priorities of the baccalaureate and graduate-level institutions within which they were merged. Through specially designated units, the vocational-technical non-degree mission leading to certificates in skilled trades and other occupations were retained; however, other dimensions of the community college mission (e.g., associate degree programs in occupational fields) were given less priority within academic departments focused on baccalaureate degree programs.
- Affordability of the community colleges was lost with the merger of the financing of the community campuses with the main university finances. Tuition levels were leveled up to those of the universities. From 1988 to 1994, tuition for community campus students increased 65 percent for full-time students and 55 percent for part-time students.<sup>23</sup>
- The unresolved union issue created an undercurrent of disruption within each of the newly consolidated entities, at UAA and UASE in particular. The consolidation forced together faculty members from two distinctly different cultures and reward systems within the same departments; one group was unionized and the other not. Tensions regarding this issue, including extended litigation, led to significant costs that offset savings that might have been realized otherwise. Another undocumented cost resulted from the reduction of community college faculty teaching loads to match those of the academic faculty within the same departments.
- The Board of Regents' intent was that the reorganization would lead to a streamlining of the functions of the system administration (Statewide) and an increased focus on policy

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<sup>22</sup> O'Rourke, p. 124.

<sup>23</sup> O'Rourke, p. 123

instead of centralized control and management. Apparently, this aspect of the reorganization was never completed.<sup>24</sup>

## **Minnesota State University**

As its 1991 session came to a close, the Minnesota state legislature passed a bill that set off one of the most sweeping restructuring processes in the history of American postsecondary education. The bill called for the consolidation of what had been three independent systems of institutions—State Universities, Community Colleges, and Technical Colleges-- resulting in the creation of what was then called the Minnesota State Colleges and Universities System (MnSCU). This system assumed responsibility for governing 45 institutions operating 62 campuses that enrolled 160,000 students and employed roughly 20,000 faculty and staff when the merger took effect on July 1, 1995. Today, more than 35 years later, some of the implementation steps of the consolidation are still being worked out.

Prior to the merger, Minnesota operated four systems of public postsecondary education: the University of Minnesota, the State University System comprising seven institutions that largely grew out of the state normal schools and focused on baccalaureate-level education and a relatively few master's programs, a statewide system of community colleges, and a technical college system for which governance was shared between a statewide board and local school districts. An outgrowth of local K-12 schools, the technical colleges focused on short-term vocationally oriented programs and not all of them were accredited. Each of the systems had its own collective bargaining agreements with faculty and staff. In the technical college system, there were actually 18 separate agreements covering faculty who belonged to different local unions.

Initially, the merger legislation created the Higher Education Board, which was expected to manage the transition into a single system over a four-year period, the lengthy timeframe being a compromise required to gain passage of the bill in the House of Representatives. Although expressly intended to provide adequate time to address the complexities of creating and combining functions across three systems, in reality the first two years were largely wasted as implementation was delayed while House members worked to repeal the legislation. While none of the repeal efforts succeeded, they did result in modifications to the way the new system would work. For example, legislation passed in 1993 required the three systems to maintain distinct missions. Progress toward consolidating systems was further hindered because the Higher Education Board was provided insufficient resources—it was required to beg, borrow, and steal necessary human resources from one or more of the existing systems in order to conduct its work.

### What important conditions prompted the consolidation?

By the end of the 1980s, Minnesota had a thoroughly built-out public postsecondary education infrastructure. A deep faith in the power of education among the population had helped fund the development of an extensive educational infrastructure and powered substantial enrollment growth. Eventually, funding levels on a per-student basis were no longer keeping up, the

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<sup>24</sup> O'Rourke, p. 113



lobbying effort by the multiple state higher education systems for state funding had intensified, and the state's political leadership started to look for ways to manage further growth. The competition for funds and the failure of the systems to demonstrate a collaborative spirit—especially around credit transfer—further contributed to the frustrations of key legislators. Prior efforts to impose greater regulatory oversight by the state through the existing Higher Education Coordinating Board had not yielded satisfactory results.

Compounding these factors, the early 1990s marked a period when the state's production of high school graduates dipped temporarily. With an economic recession simultaneously putting pressure on the state budget, conditions were ripe to question whether the systems were overbuilt for the need. Of particular note were instances where two institutions from different systems were located within close proximity, sometimes essentially co-located, yet still finding it difficult to collaborate.

### What did champions of the consolidation seek to achieve?

Champions of the merger, particularly Senate Majority Leader, Roger Moe, who effectively forced the legislation through as one of the last acts to pass in that session, believed it to be a key part of the solution to several nagging frustrations with how postsecondary education in Minnesota functioned. The merger was expected to lead to improvements in the following areas:

1. Credit transfer. Bringing the systems together would lead to a more seamless student experience, especially related to credit transfer.
2. Access to a broader array of coordinated degree programs and student services.
3. Program review and approval. The merged system was expected to address issues related to duplicated programs across institutions—often being offered by campuses located in close proximity and competing with each other.
4. Efficiency in the use of facilities and staff. Merger champions expected that the new system leadership would identify inefficiencies in the delivery of academic programs and administrative services and would control costs by eliminating duplicative programs and positions.

The merger legislation was not particularly specific about how it was supposed to support the achievement of these goals. Nor was there a widely shared sense within key political constituencies and other political leaders in the state that the merger was the preferred means to achieve the stated goals, though there was not enough resistance to doom the merger legislation.

Opposition to the merger grew out of concerns that the new system could be dominated by the state universities, which were generally perceived to have greater status, and that this would lead to the dilution of occupational and vocational education and training opportunities that were core to the missions of the other two systems. There was also resistance from the collective bargaining units that were protective of the jobs and compensation plans, and from leaders within the state university system in part. This opposition led to tweaks in the merger legislation to preserve the systems' missions as well as to limit the capacity of the Higher Education Board to carry out merger-related planning.

### What were the barriers faced in the consolidation process?

Due to the repeated attempts to undo the merger legislation in the first two years after its passage, very little was accomplished during that timeframe to plan and begin to implement changes to the processes and systems that would be necessary once the merger took effect. In addition to delays attributable to lingering uncertainty about whether the merger would actually be implemented, the merger legislation once enacted and amended in subsequent sessions provided few resources—financial or human—to support the merger planning effort. The Higher Education Board was instead required to rely on staff from other parts of state government where possible and its budget was limited to support only a small core staff.<sup>25</sup> The effort picked up pace in the final two transition years as it became clearer the merger would become reality, and progress was made on a number of key fronts through the use of task forces composed of representatives from each of the three systems. Nevertheless, the new MnSCU system was not fully ready to assume its responsibilities when the time came.<sup>26</sup> Among the challenges that remained to be addressed were a systemwide student information system, processes to ensure better financial accountability of the individual institutions within the system, and the reconciliation of divergent personnel policies. In spite of the centrality of the credit transfer problem to the creation of the system, the MnSCU board had not adopted a policy on credit transfer by the time the merger became effective.

Mergers are challenging in part because of the need to bring together very different cultures, each with its own norms and processes. Merging three system cultures as the MnSCU consolidation required was especially difficult. Different governance patterns also compounded the challenges: the state universities enjoyed wide latitude in managing their affairs, while the community colleges reported to a strong central office, and the technical colleges were at least partially governed by separate local school districts. These cultural and governance differences manifested themselves in resistance to any signs of encroachment on preexisting missions and academic prerogatives, especially around technical versus academic programming, helped feed the effort to undo the merger legislation, and otherwise created an atmosphere that impeded progress. Together with differences in the perception of status between the state universities and the other institutions (especially the technical colleges that included among them several without the quality seal that comes with accreditation), efforts to academically integrate the system and especially the state universities have been halting and remain incomplete. The relative lack of coordinated programs and ongoing challenges in credit transfer reveal that the state universities continue to enjoy considerable discretion to chart their own academic paths under the system.

Exacerbating these issues was a lack of clarity in the division of responsibilities between the board and the MnSCU chancellor—both prior to and after the formalization of the merger. These difficulties helped contribute to a lengthy period of instability in leadership that saw seven different chancellors leading the system in the decade following the 1991 passage of the merger legislation. The leadership challenges trickled down throughout the organizations to be merged—perhaps unsurprising given the stated intent to eliminate positions. But the lack of clarity during the transition period about the merger itself and the role and function of the

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<sup>25</sup> Minnesota Office of the Legislative Auditor. The Auditor's report notes that even as late as 1994, the system office was limited to just seven administrators, yet it ballooned in size to over 200 staff members immediately upon the merger taking effect.

<sup>26</sup> Minnesota Office of the Legislative Auditor

system office, along with ongoing turnover in the chancellor position, worsened these challenges.

Another significant barrier to consolidation was the disparate set of collective bargaining agreements that needed to be addressed. Most difficult among these was the presence of so many agreements covering the technical college faculty that had to be integrated somehow into the new system with other existing agreements in effect. They were also shifting from employees of local school districts to employees of the state. These differences not only exacerbated the sense of multiple “camps” dividing the faculty, they had more practical effects around building a curriculum and course schedule. The effects have lingered in the system’s culture today.<sup>27</sup> In addition, there were bargaining units covering staff (and even students) that had to be addressed.

The integration of administrative systems was also fraught with challenges and turned into a prolonged exercise, although it was generally recognized at the outset that related efficiencies would take time to materialize.

While a status hierarchy existed among the systems prior to the merger in Minnesota, with the technical colleges perceived to be at the bottom, a lack of attention to the state’s workforce development needs was not a commonly cited reason for the restructuring effort in that state, as has typically been the case in other states.<sup>28</sup> Yet concern that the resulting system would erode the focus on workforce education and training that was core to the community and technical college mission became a justification behind attempts to repeal the legislation in subsequent sessions, as well as a major impediment to implementation. The failure to carefully define goals for the consolidation, and in the process to account for how these foreseeable concerns should be managed, helped contribute to the disruption and delay in implementing the MnSCU system.

#### What was the impact of the consolidation?

The Minnesota State University system (as a moniker, MnSCU was retired within the last several years) has continued to evolve: it currently is comprised of 35 institutions on 53 campuses. Clearly, one impact of the merger was to reduce the number of institutions. The principal means by which this reduction in institutional numbers was accomplished was through consolidation of two geographically proximate institutions—one originally part of the community college system and the second originally part of the technical college system. Eleven such combined institutions are now part of the system. These consolidations have generally been viewed as a benefit of the merger. However, separate collective bargaining units for faculty working at these institutions remains a feature of these institutions’ organizational cultures that limits nimbleness. None of the four-year institutions has been involved in any of the merger activities.

Additionally, Ellis found that the merger resulted in deeper collaboration across the institutions and forged a “system-oriented culture,” with benefits extending to marketing, the application of common processes and standards where warranted, and the achievement of more efficient operations. There have also been documented improvements in the student experience. Students now get access to a broader array of programming opportunities and some of the barriers to transfer have been addressed, though room for further improvement remains.<sup>29</sup>

These positive outcomes, however, required a lengthy gestation period. From the moment the legislation was passed, the three affected systems were thrown into significant disruption as

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<sup>27</sup> Ellis.

<sup>28</sup> Ellis.

<sup>29</sup> Ellis, Minnesota Office of the Legislative Auditor, MPR story.

their fates were sorted out. By 2000, the Office of the Legislative Auditor concluded that a great deal of progress on the major goals was still needed, although it also found signs of progress. But its conclusions suggested that even with notable improvements in the system, credit transfer was still greatly hampered by a vast and indecipherable inventory of articulation agreements that did not adhere to a consistent standard, nor were they equally prevalent at MnSCU institutions. In 2010, the legislature was compelled to step in to address these issues with legislation, and as late as 2014, students were reporting greater ease in transferring to the University of Minnesota than within the MnSCU system. Program oversight was not as successful and remains an institutionally driven activity without much statewide oversight. Particularly absent is a statewide view of how well the system's program array meets state and regional workforce needs, independently and in combination with other system institutions' offerings.

While most of these events took place in the 1990s, it bears noting that there continue to be efforts to reorganize the delivery of postsecondary education in Minnesota in order to achieve greater efficiencies and to respond to declining demographics, especially in rural locations. The Minnesota State System is currently trying to facilitate the development of institutional consolidations, allowing these efforts to take shape with encouragement and support from the system office, but with the specific collaborations shaped by the participating institutions themselves. These efforts have met with mixed results so far. In the northeast corner of the state, five community colleges have announced plans to combine themselves into a single institution.<sup>30</sup> Elsewhere in the state, similar efforts have not yet reached this level of planning.

In summary, this major consolidation must be judged as only a partial success. Some efficiencies have been achieved and the functioning of the two-year institutions in the system are much more integrated. However, one of the major drivers of the early legislation—the issues of articulation and transfer—remains a work in progress. Progress has been made on transfer of general education credits, but transfer of credits in the majors remains elusive. As with many such mergers, consolidation of administrative functions has proven to be much easier than dealing with academic integration.

The passage of nearly 30 years since the merger legislation was enacted has woven the Minnesota State University System deeply into the fabric of the state's postsecondary structure. But it is worth recalling how much disruption and instability the effort to unify three systems into one, at least as measured by the high degree of leadership turnover it generated, which in turn helped to frustrate a consistent approach to strategic planning, confounded lines of authority, upset organizational morale, and required new approaches to personnel policies. These effects were fairly acute for at least a decade after the legislation's initial passage.

## **Connecticut State Colleges & Universities System**

Connecticut has a relatively long history of discussions and attempts at consolidation of their public higher education entities. Beginning in 1965, numerous recommendations, some successfully enacted, have changed the structure of community and technical colleges, state universities, and public postsecondary online education in the state. The factors that prompted the 2011 consolidation that eliminated the boards for the Connecticut State University System, the community colleges, and Charter Oak State College and the Board of Governors for Higher

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<sup>30</sup> Johnson, Brooks (December 22, 2020). "Six Campuses, One Name: Northeast Minnesota Colleges to Merge." *Minneapolis Star Tribune*. Retrieved December 22, 2020 from <https://www.startribune.com/six-campuses-one-name-northeast-minnesota-colleges-to-merge/573460061/>.

Education and combined their authority into one Board of Regents for Higher Education were focused on issues of fiscal efficiencies, student achievement, and authority (enforcement of policy). This merger was part of a larger government reorganization initiative, one intended to reduce the number of state agencies. The 2011 state budget projections predicted a \$3.67 billion state budget deficit and higher education was just one of the functional areas targeted for potential cost savings. The rationale for this consolidation was reinforced by data showing the shortcomings of existing structure. These data indicated that UConn and CSUS were consistently ranked among the most expensive public university systems in the nation, that Connecticut had persistent access and achievement gaps amid increasing diversity in its population, and that the state under-produced graduates in certain workforce priority areas and was predicted to see a decline in workforce quality due to this lack of degree production.<sup>31</sup> At the same time as these fiscal, student success and workforce concerns were colliding, there was increased interest by the governor and state legislature in tying higher education funding to outcomes. Decision makers in this state with a history of enacting structural and oversight changes to public higher education concluded that a consolidation of a large part of Connecticut's postsecondary public education system would save money, increase degree completions, and allow for increased oversight of the outcomes of the state universities, community colleges, and public online education. It should be noted that the University of Connecticut and its branches were never part of the consolidation conversation.

What did the champions of the consolidation seek to achieve and what were the arguments for and against the proposals?

As described earlier, champions of the consolidation hoped that the reorganization would result in cost savings that would alleviate some of the fiscal problems being faced by public higher education in Connecticut. In addition, it was felt that consolidating the governance structure would allow elected officials more direct oversight of the state universities, community colleges, and online postsecondary education.

Proponents of consolidation argued that the proposed merger would:

- Yield cost savings.
- Encourage better coordination, including streamlined transfer options for students and improved alignment between 2-year and 4-year institutions.
- Shift money from central office and board costs to teaching and student support services that would increase the number of students receiving degrees. (Connecticut colleges and universities spent less of their total operating budget on teaching than did comparable institutions in other Northeastern states.)
- Increase the nimbleness of institutions and the ability of the management of higher education in the state to respond quickly to changes in student demand and the workforce requirements of employers.

Arguments against the consolidation included:

- Some community college leaders worried about a loss of autonomy and identity for their institutions.

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<sup>31</sup> Connecticut General Assembly, Legislative Program Review & Investigations Committee, Higher Education Governance Structure, December 16, 2010.

- An external analysis, performed by NCHEMS, indicated that the reorganization would likely not be cost-effective and that it ignored the need to maintain a separation of governance between two fundamentally different missions with the costs associated with that separation.<sup>32</sup>

Regardless of whether the consolidation occurred, analyses conducted by external organizations and legislative policy analysts agreed that Connecticut needed first to develop a strategic vision for its public higher education and to develop goals against which success could be measured.

#### What forms did the consolidation – or the consolidation proposal – take?

The 2011 consolidation in Connecticut:

- Eliminated the boards for the CSU System, the community colleges, and Charter Oak State College and the Board of Governors for Higher Education and combined their authority into one Board of Regents for Higher Education.
- Consolidated the central offices of CSU and the community college system and the management of the Department of Higher Education and Charter Oak State College into one office reporting to one CEO.
- Directed the Board of Regents and CEO to develop a strategic plan with public stakeholder participation to increase Connecticut's educational attainment.
- Directed the Board of Regents to develop a formula to distribute taxpayer support to campuses on the bases of enrollment, attainment of identified policy goals and other factors.
- Required the Board to develop annual reports on:
  - Student outcomes such as retention and graduation.
  - Financial issues including:
    - Allocation of resources across functions (education, administration, etc.).
    - Analysis of costs and revenues on an academic program basis.
    - An affordability index based on median Connecticut family household income.
  - Enrollment and completions on a program basis.
  - Transfer of credits across institutions.
  - Employment and earning outcomes of graduate (in partnership with the state Department of Labor).<sup>33</sup>

The nature of the reporting required provides considerable insight into the expectations of the legislature regarding the areas in which the new (Connecticut State Colleges and Universities) system was to improve performance.

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<sup>32</sup> National Center for Higher Education Management Systems (1988). A Study of Educational Offerings and Management of Connecticut State Technical Colleges.

<sup>33</sup> The Office of Governor Dannel P. Malloy. (2011). *Gov. Malloy Plan to Overhaul Higher Education Empowers Local Campuses, Directs More Money to Teaching*. [Press Release]. February 9.

### What were the barriers faced in the consolidation process?

Connecticut has historically been a union-friendly state, and the faculty and most non-faculty employees of both the state universities and the community colleges in the state are represented by unions. While not a determinant in the restructuring of the governance of higher education in the state, contractual obligations made it difficult to implement some of the efficiencies envisioned for the goal of cutting costs. In fact, nine years after the consolidation was enacted, recent news articles continue to reveal significant contention between the union representing faculty at the state universities and system leadership as a new contract is being negotiated within an environment of funding cuts. High leadership turnover made immediate success difficult to achieve, with changes both in the presidency of the newly consolidated Connecticut State Colleges and Universities and the chair of the Board of Regents.

### What was the impact of the consolidation?

Some of the goals of the consolidation related to efficiencies have come to fruition, including:

- Centralization of some systems, such as library services, human resources, and information technology. All 17 colleges and universities utilize a standardized scheduling and event management system and library resources are bridged across all 17 institutions. Centers of Excellence, reporting to the CSCU VP of HR, coordinate efforts in affirmative action, talent, labor relations, compensation/benefits/administration, and strategic human resources.
- Shared services agreements are being developed to co-manage functions between the system office and colleges in purchasing, payroll, facilities, and other areas.
- Common learning outcomes are being constructed across the 17 colleges and universities as part of the Transfer Articulation Project. To date this effort is limited to the general education core; common articulation agreements for majors have not been developed across the system.
- Participation in collaboratives and funding opportunities have allowed the newly consolidated system to increase its ability to scale practices across more than just a few institutions (e.g. US Department of Labor advanced manufacturing apprenticeship grant, Lumina grant to fund adult learner policy audit and build infrastructure to address costs beyond tuition for adult learners, participation as a system in Achieving the Dream, Gates Foundation and GEAR UP funding are capitalized in a consolidated system).
- Some cost savings are being achieved through non-faculty employee attrition as an older workforce reaches retirement and positions are reduced or reimaged.

Other of the goals articulated at the time of merger have not been realized. The academic goals, in particular, remain a work in progress:

- Completion rates at the state's community colleges have not improved and remain among the lowest in New England.
- Attainment gaps between whites and underserved populations have not been closed.
- The public institutions' production of workforce-oriented degrees and certificates have not improved. The state remains heavily dependent on for-profit institutions for production of such credentials.

- The Strategic Plan called for in the merger legislation was never developed by the CSCU System. It took separate legislation and the creation of the separate Planning Commission for Higher Education to produce this plan (in 2015).

Connecticut continues to expand on the consolidation process it began implementing in 2011 by developing a plan to further combine its community colleges into a single accredited institution with multiple campuses. The rationale for this further consolidation is fundamentally economic—without major change, the community colleges would have become bankrupt. However, there is also a major part of the argument that is based on the need to address the failures of the 2011 consolidation—those dealing with the academic shortcomings noted above. To reinforce the importance of academic improvement the consolidation has been labeled the “Students First” initiative. This consolidation process will increase the centralization of some functions at the community colleges and restructure the community college executive leadership. In 2019, the Connecticut legislature mandated the Plan to Advance Connecticut, a debt-free community college model that is predicted to increase enrollment in the state’s community colleges in the next five years. Leaders believe that this accreditation consolidation of the community colleges will assist the 12 colleges in better coordinating their efforts in responding to the increased demand. A statement against this further consolidation has been issued by faculty and staff unions representing the bargaining units of the community colleges. Three years into the implementation process the unions continue to work actively against the consolidation. A part of their strategy is an effort to persuade the New England Commission on Higher Education (NECHE) to deny accreditation to the new Connecticut State Community College. There is no evidence that this strategy will prove successful in derailing the consolidation effort.

## Lessons

Several common themes emerge from the three case studies of system consolidations, which offer some lessons for New Hampshire’s consideration in the event that it elects to merge the USNH and CCSNH. First among them is that such complex consolidations are extraordinarily disruptive in the short- and medium-term. Moreover, they are costly in terms of time and money, and they inevitably shift attention away from the core work of postsecondary institutions—serving students—while the details of the new entity are brought together. The case studies suggest that consolidation can lead to a new state that functions effectively, having achieved some of the broad goals of the effort, though it is likely that work will remain to be done. But it is clear that a deliberate and purposeful approach is essential to the best outcomes.

Among the major observations/findings from these case studies are that:

- While cost savings may be achieved from the consolidation, the academic goals are seldom met. Even the most basic sought-after improvement—articulation and transfer—is likely to be only partially achieved (general ed credits transfer, but basic courses in the major may not—if they do, it will likely be as elective credits, not applicable for fulfilling specific major requirements).
- An investment in change will be necessary before savings are realized. There will be costs associated with new administrative systems, the development of new policy and procedures manuals, etc. There are also costs associated with the management of the implementation, including those related to ensuring that communications about the consolidation are clear, consistent, and aligned with the goals so that the risk of disruption and wasted energy is minimized.



- it is all but assured that the merger likely will usher in a period of chaos and rapid leadership change. There will inevitably be an extended period of uncertainty, including potentially affecting strategic direction and the achievement of strategic goals. These can have longstanding effects on organizational morale that themselves have uncertain impact on students.
- In consolidated systems, the system governing board and leadership are often oriented toward the culture and priorities of the universities and have limited appreciation of other institutional missions within the system, particularly the vocational-technical education mission of community colleges. This can upend efforts to maintain clear lines of mission differentiation among member institutions, especially with respect to maintaining a focus on the community college mission in a university-dominated system. When two- and four-year institutions are combined, the CTE programs of the two-year institutions tend to be de-prioritized, as well as outreach and programs aimed at adult learners who tend to be part-time or require flexible course scheduling, with the ability of the new system to be responsive to workforce needs suffering as a consequence. This is true even in cases where a desire to create tighter alignments between education and workforce needs is an explicit goal of the merger.
- Moreover, a drift toward a university mission can also mean increased costs as personnel policies are “leveled-up” to match the conditions experienced by better-compensated university faculty. A failure to appropriately respect and preserve differentiated missions not only has the potential to rob the state of having its needs for workforce responsiveness met, but also risks creating cost implications for the state (offsetting the expected savings of the consolidation itself) and affordability implications for students. The latter impact stems from the potential that tuition prices for students enrolled in sub-baccalaureate programs would rise to more closely approximate those in the four-year system, if the consolidation that fails to appropriately honor mission differentiation among the two- and four-year systems and institutions. Evidence of such pricing patterns is plentiful, including in the Alaska case described above, but also among institutions that have extensive offerings at both the sub-baccalaureate and baccalaureate levels (e.g., the dual-mission institutions in Utah, Vermont Technical College).
- Any consolidation must recognize and account for how state finance policy (allocation of state appropriations, tuition, and fee policy, etc.) provides incentives or disincentives for institutional collaboration, and how those can either be complementary or a hindrance to the achievement of the consolidation’s goals. For example, in an environment where institutions depend heavily on tuition revenue from student enrollment, there are few incentives for collaboration when competing for the same student population. Without changes to the underlying incentive structure, an administrative consolidation may have limited impact on the issues that motivated the consolidation in the first place (e.g., inter-institutional competition, barriers to student transfer, or limited sharing of academic capacity).
- A major dilemma concerns how to adjust the terms and conditions of employment among faculty and staff, especially if there is any perception of inequities that might pertain to standardizing those terms. This is all the more true if such perceptions are also linked to traditional forms of academic hierarchy, e.g., faculty in the four-year institutions are more deserving of scheduling flexibility than others. There is a wide range of possible sources of organizational disruption, including actual compensation

levels and workload expectations as well as less immediately obvious issues related to how course schedules are constructed. If there are union issues prior to the merger, those issues are likely to be especially thorny and also likely to remain long after the consolidation. Before undertaking a merger or consolidation of entities with different faculty/staff unions, it is important to understand significant differences in culture, roles, workloads, reward systems, and other aspects of each entity.

- The mergers in Minnesota and Connecticut did not involve the research universities in the state. The involvement of these institutions in the system consolidations would have made a complicated process considerably more so. The Alaska situation did involve the research university but UAF maintained separation of the community colleges under its purview in ways that the other universities in the system did not. As a consequence, the missions of both UAF and its subordinate community colleges were relatively well preserved. The same was not true with UAA and UAS where the community college missions were comingled with university missions and consequently seriously diminished. Worth noting is that other recent experiences in postsecondary governance not covered in this overview have been prompted by efforts by research universities to engineer their exit from state systems. Oregon and Rhode Island offer cases where the flagship universities were successful, while the University of Wisconsin at Madison was not able to break free of the state's system.
- Attention to reorganizational issues draws attention away from the policy leadership function of the System Office, as focus is drawn inexorably toward inward-looking issues. This phenomenon sacrifices the important role the System Office plays in attending to outwardly focused issues dealing with the needs of the state and its citizens—both individual and corporate.

Other lessons that emerge from the case studies highlight steps that a state considering a consolidation of systems might take in order to maximize the chances it will achieve its goals and to create conditions for a (relatively) smooth implementation.

- The purpose and intended goals of the consolidation must be clearly articulated, along with a shared understanding of how success will be measured. If cost savings are part of the expectation, then champions of the consolidation will need to appreciate that cost savings will take time to materialize, expectations must be realistic, and it is also essential to appreciate the value of both savings and reinvestments that yield improved student success as well as new programs or outreach opportunities that help to serve the systemwide mission and state needs.
- Effective leadership is critical, and in order to be effective it must be sustained. The CEO charged with implementing the consolidation needs consistent and reasonably unwavering public support as well as adequate resources to accomplish the task. Clear lines (and boundaries) of authority between the role that the new system board will play and the authority of the CEO need to be carefully maintained. Individual board members will need to exercise discipline in their public and private activities. This is equally true of developing relatively bright lines of authority for the system office and for institutions.
- The cases clearly highlight the need to deal effectively and forthrightly with the complications presented by different personnel policies in different systems. These would create a major challenge to the implementation of a consolidation under any circumstances, but the presence of incompatible collective bargaining agreements in the three cases clearly served to exacerbate tensions between different employee groups and

between the unions and the leaders of the system. Such matters as differences in the effective dates of existing contracts, compensation and benefits levels, authority over academic and student services functions can confound a smooth implementation. At a minimum, they help to reinforce status distinctions that linger unproductively. As these matters seem inevitably to become political issues within the legislature, it is useful to develop a framework early in the design and implementation process for the successful resolution of inconsistencies in the existing collective bargaining agreements.

- If a major goal is to realize savings from consolidating administrative functions, the cases illustrate the need to prioritize the integration of core data systems. As the central nervous system of the new system, quality and timely data are essential for managing day-to-day operation and for surfacing insights about how goal achievement is progressing. Moreover, frustrations arising out of poor data can help undermine the initiative and energy needed to ensure a smoother implementation.
- Regional accrediting organizations (e.g., the New England Commission on Higher Education) should be informed early in the process and at every stage of the reorganization process to ensure that the university fully understands the standards and expectations of accreditors, and accreditors understand the proposed changes.

## **Questions for Any Potential Reorganization in New Hampshire**

The lessons from the case studies lead to questions about the design and implementation of any possible integration of CCSNH and USNH that appears likely to move forward. They include:

1. Which institutions will be involved in the consolidation? Most specifically, will the University of New Hampshire and its constituent parts be included or only Keene, Plymouth, and Granite State? Or will Granite State also be excluded?
2. What are the explicit expectations regarding consolidation? Are they purely financial or are there academic/service improvement expectations as well? Specificity of expectations early in the process is key.
3. What level of authority over institutional missions and program array will the new system have? Will the stipulation that universities have maximum freedom/discretion continue after consolidation? If so, does that imply a separate degree of autonomy for the universities relative to the community colleges in a new system?
4. How will the system address overlapping programs and geographic service areas among separate institutions and promote collaboration across institutions?
5. What powers will the new system have to enforce both academic and administrative collaborations/centralization?
6. How will compensation/terms and conditions of employment across different collective bargaining units be integrated, and at what possible cost?
7. What powers will the system have for allocating state resources among individual institutions? Will those powers differ for universities relative to the community colleges?
8. How will authority for setting tuition levels be established?
9. What implications will a consolidation create for accreditation? In particular, is there an expectation that all institutions will continue to be independently accredited?

10. How will the new system be empowered/expected to integrate systems and strategies, e.g., student information systems, payroll, libraries, also online delivery?