

Rethinking Higher Education in Maine

A lecture presented as part of the Changing Maine series of the Muskie School of Public Affairs, University of Southern Maine, December 3, 2003.

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Thank you, Richard, for that introduction and for your leadership in setting up this series of lectures. The series attempts to help us better understand where Maine has come from and where it may be going in its political, economic and social condition. My topic this evening is higher education.

Jane Bryant Quinn tells us that the rule for making safe predictions is to give the audience a number or a date, but never both at once. With that in mind, I'll avoid a precise date, but I will predict that there will be more change in higher education in Maine over the next few years than has occurred at any time in the past thirty-five. However, it remains to be seen if that change will be for better or for worse.

Change will come because a powerful cocktail of pressures and trends are coalescing to overwhelm the immense stabilizing forces that have prevailed since 1968. In 1968 the state legislature and then Governor Curtis choose to harness the state's public colleges and universities under a single board of

trustees in the University of Maine System. My topic goes beyond that System to be sure, but its creation date offers a useful point of departure.

Over the next 35 minutes or so, I'll make the case that serious change in the way Maine organizes and delivers higher education is both likely and timely. First, I'll describe the contours of the Maine higher education landscape which taken together make it an anomaly in the U.S. These distinctive characteristics display many virtues, but they also represent a culture that will need to summon up its very best qualities if it expects to meet the serious challenges facing higher education in the immediate future.

Next, I'll outline that combination of interests and trends that dovetail to dramatically increase pressure on policy leaders to rethink and redesign the way higher education is offered. Some of these pressures are new; others have been with us for a while. What makes the current moment in history different is the density of these forces aligning themselves at more or less the same time.

Finally, I'll suggest several specific areas that deserve attention. Now I don't want to let you down, but these problem areas are fairly obvious and should sound familiar. We've been debating them for a generation at least.

What is difficult is figuring out how to solve them. I'll offer a few of the fundamental options from which educational and political leaders must choose if higher education in Maine is going to deliver a better life for the people. These proposals come from matching the problems we face with successful strategies in other states.

Put another way, I'll try to answer three questions:

- What are the pros and cons in the distinctive way Maine presents higher education to its people?
- What are the key economic, fiscal, demographic and other changes that taken together compel us to rethink the way we organize and deliver postsecondary education?
- Where should educators, policy leaders and engaged citizens concentrate their attention if we are to make positive improvements in the way higher education meets the needs of the people of Maine?

Higher Education Structure in Maine

First, a quick word about the way higher education is governed in Maine. On the public side, our state hosts the University of Maine System with seven universities spread across the state, ten discrete campuses and many smaller learning centers (university colleges) spread across the state. It is governed by a Board of Trustees, nominated by the Governor who begin serving when confirmed by the legislature. Our Community College System, formerly the Technical College System, also hosts seven institutions often in the same communities as the universities, and it too is governed by a Board nominated and confirmed like their University counterparts. The Maine Maritime Academy is outside any system. It enjoys it own Board of Trustees. The public sector serves about three-quarters of Maine's students.

The private or independent sector includes a variety of institutions including distinctive liberal arts colleges, several more career and professionally oriented institutions, a few proprietary schools and some unique schools offering training in a variety of fields from the arts to boatbuilding.

In sum, for a state its size, Maine supports a great variety of institutions, both public and independent. We have no large private research university like the universities in Rochester or Syracuse, or MIT or Harvard. And the state hosts a large *number* of schools for its 1.2 million people.

New Expectations for Higher Education

We expect a lot from our higher education institutions in Maine. Some are traditional and enduring, others relatively new.

We expect:

- Our public and private colleges and universities to transform the lives and futures of thousands of students. To teach them in the words of Joseph Conrad, not just what to do but “how to be.”
- Higher education to link our students, and to a degree the rest of the population, to the best that has been thought, said and performed over the centuries.
- Our colleges and universities to enable us to appreciate that long and sinuous tradition that we call western culture, as well as the cultures of the world at large.

- A college graduate to be able to think clearly, write forcefully and engage intelligently with the civic issues of the day.
- Campuses to provide a safe harbor where unpopular and unorthodox ideas can be expressed without fear of reprisal from politicians or an annoyed administration or even the majority of citizens who hold another view.
- Our institutions of higher learning to produce citizen-leaders of all kinds, including politicians, writers, artists, business people and professionals of all kinds.
- And last on this list, but not least, to field successful teams for women and men in major sports, and to win while still obeying the rules of fair play.

This is a short and more or less classic list of the expectations that would be recognized, with the exception of intercollegiate athletics, around the world as the academy's *raison d'être*.

While it is difficult to measure success in achieving this classic agenda, my guess is that Maine does pretty well on this set of goals grounded in the liberal arts and humanities. Writers like Steven and Tabitha King, political leaders like George Mitchell and a host of other widely recognized names, along with evidence of intelligence and civic engagement like high rates of newspaper readership and voter participation speak to the quality of Maine's graduates.

In order to sustain this traditional agenda, the public institutions at least will need to be successful in serving a newer agenda as well.

A New Public Agenda

Yet in Maine, like most other places around the globe, we've added to these noble objectives another stratum of expectations. The newer and in many cases dominating expectation is that higher education, particularly tax subsidized public higher education, will become the engine of economic development, of increasing per capita income, of salvaging communities wounded by the departure of traditional industries, and accelerating the growth of already favored urban areas.

In some respects, this new mandate is a 21st Century version of the land grant mission of the 19th. One difference is that in varying degrees virtually all public colleges and universities are expected to contribute to the economy in practical ways.

This new "public agenda" for higher education in some states goes further to give colleges and universities a pivotal role in solving problems like adult literacy, poverty, child health care and the preparedness of high school graduates.

Under the new mandate, colleges and universities will prepare the workforce of tomorrow for emerging industrial needs, will educate nearly everyone in the society to participate in the new economy and, in the case of research universities, will produce new processes and products to revitalize mature industries and stimulate new ones. Where knowledge is the essential

economic resource, we look to colleges and universities as the source of knowledge and of wealth.

Tonight, I'll focus on how well Maine higher education is doing in meeting these new public expectations of making all our lives richer in a material way.

What Makes Maine Different?

What are some of the distinctive features of higher education in Maine?

Paradoxically, in spite of nearly constant calls for reform and restructuring directed, it must be said, largely at the University of Maine System, higher education in Maine has in fact been unusually stable. Compared to most other states, it is nearly unregulated by the state bureaucracy, but instead has evolved a tradition of informal responses to the demands of governors, legislators, and public opinion. And for all the potential conflict among institutions, regions of the state, and competing interests groups, it displays a remarkably civil culture. There has never been a strike of unionized employees at the public institutions, though there have been threats from time to time. And nearly all of the potential battles between public and private institutional interests have been resolved off stage rather than in the legislative arena.

I'll say a few words about a few of these distinctive features.

Organizational Stability

In the face of criticism from the legislature, activists citizens, editorial boards, angry students and energized members of the academic community, there has been remarkably little governance or organizational change within public and independent higher education in Maine from the late sixties up to the current year.

Names have changed in the public sector. The University of Maine, Portland-Gorham as we all know has become the University of Southern Maine and the campus in Orono is heralded as the University of Maine. But the basic structure of system with a Chancellor and a single board of trustees have prevailed over that period.

[Although those who participated in some of the pitched battles over the years have reminded me that this stability was maintained only following some intense debate.]

To be sure, a momentous change has occurred in the state's two-year public system, as the former technical colleges became this year community colleges. I'll say more about the consequences of this change in a few minutes, but what is amazing is that it occurred some thirty or more years after most of the rest of the country established community college systems.

In the private sector, during this period a few small schools—Nasson in the south and Ricker in the north-- closed and others merged, but the independent sector in Maine which serves about a quarter of the students remains largely separate from the state apparatus and diverse in mission and

reputation. In terms of economic benefit to the state, this sector is becoming increasingly important as several institutions develop a quasi-public mission of educating larger numbers of students for the professions.

At least in the public sector, this equilibrium comes in part from Mainers predilection for the known versus the untried, from the statewide political balance which Chris Potholm described earlier in this series, and from timely crisis management by boards of trustees and educational leaders. Anyone especially interested in the political history of the University of Maine System and especially its remarkable buoyancy should read James Libby's book entitled "Super U".

Frequent Criticism and Calls for Reform

While the public sector in Maine has been among the most stable in the country, it has also been a popular target of critics and would be reformers. From the unrelenting criticism of the Longley years, beginning with the 1972-73 Governors' Blue Ribbon report on cost management to the so-called Carlisle report of 1996, the University of Maine System, its cost, its structure and the decisions of its leaders have been the object of regular attack or at least intense scrutiny.

For example, in arguing for a more market oriented higher education structure, the so called Carlisle report echoes the themes of the Longley report written a quarter century earlier. The Carlisle report echoes earlier critique's when it asserts that "In most centralized systems, [such as Maine's] the bottom line has become so vague as to become

indistinguishable...the system creates expensive layers of administration and bureaucracy to fabricate a system of artificial forces." (In Libby, p. 126)

The vetoing of a bill to establish a medical school, budget cuts and the sudden departure of a Chancellor were the outcomes of the Longley's term as governor. Advisory Boards of Governors were created for campuses in the University of Maine System following the report of a blue ribbon commission established by House Speaker Elizabeth Mitchell. Yet at the end of the day it must be said that all of these were changes at the margin.

Civility within Higher Education

Maine is ripe with issues that potentially could wedge the many competing interests within higher education. Minnesota and Pennsylvania, for example, have engaged in political warfare between representatives of the private and public institutions over the state subsidy. Elsewhere public systems have been torn apart by insurgent campuses seeking either a bigger share of the fiscal pie as in Nevada and Maryland or the freedom to go it alone without central coordination as in New Jersey and Florida.

To be sure, similar pressures exist in Maine but at the end of the day they are resolved short of open warfare. This tendency to put positive working relationships ahead of institutional or regional or group interests may reflect the social maturity of the state and most of its leaders. Civility in the midst of conflict also reflects a recognition that in the political arena coalitions typically win over the lone wolf.

Civility and respectful relationship are certainly to be cherished. But do we too often put peace within the academic valley ahead of better service to the people. To paraphrase *Getting to Yes*, have we not gone hard enough on the important policy issues because we wanted to be easy on each other?

A Largely Deregulated Environment

A university president in Massachusetts one lamented that due to redundant state oversight, he managed to build an eight million dollar campus building for eleven million dollars! (Check Charter Coll). If a university overspends on construction or anything else in Maine, they have only themselves to blame because there is little second-guessing by the state.

Maine is one of a handful of states that suffers very little oversight from state bureaucracies. In finance, human resources, capital management, contracting and employee negotiations, the public institutions in Maine enjoy substantial independence to manage as their trustees see fit. One former university chancellor estimated that not having to report to a slow moving state bureaucracy probably equaled a 10% budget saving.

Aside from the formidable presence of two system administrations, there is also an unusual absence of formal statewide governance and coordination in Maine. The one public institution not part of the Systems, Maine's highly regarded Maritime Academy, operates like a Charter College with its own Board of Trustees.

Unlike the vast majority of states, there is no central planning agency for higher education, much less a statewide coordinating board that would attempt to control duplication, harmonize new initiatives and nominally at least represent the people's interests when they differ from the academics'.

The public interest isn't ignored in Maine, but is addressed through informal means dependent more on personal relationships and trust than a coercive authority.

Informal Solutions

Absent a bureaucratic superstructure which would somehow coordinate the work of the public systems, Maine Maritime and perhaps in some fashion the independents as well, Maine has evolved *informal*, non-authoritarian ways of responding to legislative or citizen demands. Maine is like Michigan in this respect. Transfer agreements, for example, purporting to ease the mobility of students from two- to four-year schools have been created voluntarily in Maine. In other states, the legislature intervened to require portability of academic credits. Of course, politicians may intervene in Maine as well if too many of their constituents report problems with credit transfer.

These voluntary, informal means of responding to the public interest are essential in a state like Maine where the key education and political leaders can meet together say in a living room in the Blaine House. In effect, the people of Maine entrust the leaders responsible for major educational

organizations with responsibility for improving and changing those organizations when the times so require.

Thus Maine is among a small hand full of states where there is literally no formal mechanism, be it a board, a committee or a state agency, with the leverage to play a strong role in speaking for the people's interest alone. Instead, the state expects its educational and political leaders, its Chancellors, Presidents, Trustees, legislative leaders and the Governor to work together to ensure that public needs are met and that the tax payers investment in higher education is managed as efficiently as possible.

Inn light of this history and culture, it is legitimate to ask if the somewhat laissez-faire, informal and personal approach to solving problems will serve in the new era of higher expectations and serious financial and other challenges.

Forces for Change

Two perennial challenges--the changing economy and related limits on state spending--are combining with three relatively new developments to alter the status quo. The new developments are the transformation of the technical colleges to community colleges, the precipitous decline in the number of high school graduates, and the expansion of the middle sector of private institutions into more professions.

There is also a wild card in the person of a new Governor with political savvy, a majority in both houses of the legislature and the courage to take on

tough problems. No one or two of these pressures alone would be enough to bring about change, but the combining of all together just might.

A Knowledge-Driven Economy

During the recent (to many, the current) recession, Maine led the country in the proportionate loss of manufacturing jobs. As we all know, this statistic continues a trend that has afflicted the textile and forest products industry in the state for years.

Jobs that once rested along the Kennebec and the Androscogin and the Penobscot moved first to either the banks of the Mississippi or the Rio Grande and have now moved to Yangtse and the burgeoning cities of China. And jobs from software design, to radiology to customer service are moving offshore too, but to the Ganges and the growing high tech centers in India.

Replacing these manufacturing jobs with skilled opportunities in the new economy has been the Holy Grail for Maine, and indeed for every job exporting state in the U.S. Yet Maine lags behind the most of the rest of the country not only in educating its own recent high school graduates and the incumbent workforce, but also in producing engineers, computer scientists and others prepared to lead in newer technological, knowledge driven economy.

For example, proportionately we rank behind states like Mississippi, Alabama and South Carolina in the rate of production of engineers, and we

are seventh from the bottom in graduating students with degrees in computer and information science.

Clearly, we need to close this gap between the number and kinds of graduates we are producing and the kinds and number we need to generate in order to attract new economy jobs. This problem is not a new one in Maine. But we will need to change the way we do business if we are to get better results.

Budget Woes

The current budget situation is really the chronic budget situation. How many of you can recall when the state did not enter the new fiscal year without a structural budget gap?

Voters resist tax increases. Health care funding--whatever developments in the state's visionary Dirigo Health Plan--is sure to remain a top priority. In the November 2003 referendum, a strong majority supported greater state support for local school districts either immediately or within five years. With popular and legislative support for the community college initiative, it seems safe to say that the universities in particular will face an uphill battle before the Appropriations Committee.

The hard reality is that without a new source of revenue or substantial cost savings elsewhere, there will simply not be enough money to fund bold new initiatives, such as a Maine version of Georgia's Hope Scholarship or Kentucky's \$600 million plus "Bucks for Brains" investments in research.

Nor will there be enough state dollars to keep tuition hikes from averaging, say, double or triple the rate of inflation.

The latest proposals for multi-million dollar cuts for the universities, the community colleges and the academy, with more to come next year, underscore this problem.

The Community Colleges

A few years ago, David Silvernail of the USM's Muskie Institute, argued that Maine's production of college graduates would increase substantially if the state developed a true community college system. With the transition of the technical colleges to community colleges, accomplished this year, it seems that David's predictions are coming true.

Recent double-digit enrollment increases at the states former technical colleges strongly suggest that there has been pent up demand for a true community college option. In the recent bond referendum, voters endorsed additional capital funding for the two-year schools. And the "racino" proposal for adding slot machines at racetracks includes funding for the community colleges as well. The Governor and the legislature have pledged additional operating support in the coming years as well.

The creation of this new system is, in my view, a major positive development and will increase opportunities for thousands of Maine students over the next few years. But it will also shake up the higher education status quo.

We can predict some changes based on the experience of other states. Besides intensifying the competition for dollars and students, the advent of the community college will force greater scrutiny of credit transfer policies among nominally equivalent programs and duplicative programs offered in the same or adjacent communities. Differences in tuition and operating costs for similar programs will likely spark interest as well. Tension over these issues elsewhere in the country has led in almost every case to greater state intervention in the management of its higher education systems and often to restructuring as well.

Fewer High School Graduates

Maine is about to experience lean years of declining high school graduate rates. The number of high school graduates drops from just under 15,000 in 2002 to less than 12,000 a decade or so from now. This reality can only exacerbate the competition for traditional age students.

Phillip Trostel at the Margaret Chase Smith Center estimates that about half of the eighteen or nineteen year olds who graduate from Maine's high schools leave the state for further education. Unless this talent drain can be reduced and/or we attract more college students from other states, an already shrinking pool of potential college students will decline further.

Demographics is not always destiny, but leaders at the state's smaller, rural campuses, both two- and four-year, public and independent, will be

especially hard pressed to continue to build enrollments in the face of these realities.

The Public Mission of Private Institutions

Maine is recognized nationally for its exceptional, private liberal arts colleges--Bowdoin, Bates and Colby. With their high rankings in surveys of top colleges, their excellent programs and very selective admissions policies, these schools are a source of justifiable pride to Mainers.

But in preparing a large number of Mainers for immediate employment within the state, Maine's s middle tier of independent institutions such as Husson and the University of New England, to name only two, play an increasingly important role. Husson College in Bangor, but with learning sites around the state and the University of New England which hosts Maine's only medical school and which is expanding rapidly in other professional and research areas, provide services that meet the needs of a broad sector of the population. A particularly important segment of the population is the incumbent workforce, which in Maine is relatively less schooled than the region and the nation as a whole.

These schools and others like them perform a quasi-public role in that their tuition falls near the mid point between the publics and the elite private schools, their admissions policies are generous though not completely open and they supply an important percentage of the state need for professionals in health care, teaching and business.

Clearly, these career oriented independent schools are fulfilling public needs not entirely addressed by the premier liberal arts colleges or the public universities. It remains to be seen if this reality will affect the way policy maker's look at higher education planning, the distribution of student financial aid and funding for new programs. Legislative funding for research at private entities like Jackson Labs, the Gulf of Maine Research Institute, the Foundation for Blood Research and others creates a precedent for state funding of non-state enterprises.

A New Governor

In nearly all states where higher education's resources have been harnessed to serve a broad public and economic agenda, the governor has led the charge. Zell Miller of Georgia, Paul Patton of Kentucky, Rudy Perpich of Minnesota, and Christine Todd Whitman of New Jersey as well as several governors over the years in Illinois were the key actors in bringing about change. States, such as Oregon, where higher education leaders and business interests combined to reinvigorate the state university relationship, find it hard to sustain the change without the support of the state's chief executive.

John Baldacci in many ways fits the prototype of governors elsewhere who restructured their higher education systems to improve effectiveness. He belongs to the party that enjoys a majority in both houses of the legislature, is a highly experienced politician with years of service in Augusta and Washington, and has shown the political courage to take on complex and important issues, as his work with health care reform indicates.

Aside from his outspoken support of the community college initiative, the new Governor has not yet shown his hand on other higher education questions. In spite of the current cuts proposed for higher education, in the longer run he may find that the best way to stem Maine's talent drain, to salvage its natural resource based communities and to improve personal income will be to redirect the way higher education is delivered in Maine. In addition to leadership, vision and planning, this change will require new resources as well.

The Direction of Change

An old sailor's bromide holds that while we can't control the direction of the wind, we can adjust our sails. It remains to be seen if we are willing to make those adjustments in Maine

Earlier I predicted that change was inevitable. But in my view the jury is out on whether that change will be for better or worse.

First the dark path. Down one path lies a grim future of less public funding, higher tuition, and inadequate student financial aid will contribute to a continuing talent drain from the state, fewer opportunities for the students who need postsecondary education the most, and diminished chances for economic growth. Doing nothing is the equivalent of luffing up, seeing our sails flap in the wind, and losing forward progress.

This bleak forecast is far from inevitable. If we compare the challenges facing Maine with solutions tried in other states in a similar plight, we can discern some exciting possibilities.

I'll suggest a few policy areas where political leaders, educators and interested citizens might concentrate their attention.

Higher Education Strategy is Economic Strategy

In the post-industrial world, higher education strategy is economic strategy. Maine needs to bring together its plans for the future of higher education with a sense of what industries and employment sectors will be dominant in the years ahead, and what the skills and research needs of those industries will be. Most of the information needed to join these two efforts at planning for the future is at hand. State planners have identified target industries. What is needed is a mechanism for joining the two so that colleges and universities can support the curricula and produce the graduates necessary to the economic future of the state.

To be sure, some will argue that preparing more engineers or computer scientists is tantamount to funding the workforce needs of Massachusetts or any other state that imports our students. And certainly some graduates in high demand fields will seek employment beyond our borders, at least for a time. Yet, as Phillip Trostel argues, industries that seek cheap labor go where the costs are low. The current country of choice is China. Industries that seek high skill labor locate where the knowledge workers live. That could be Maine.

Maine's independent institutions already play an important role in preparing the highly skilled graduates. Those private colleges and universities that have the capacity and the willingness to respond to state identified needs deserve a chair in those Blaine House living room discussions.

There are lessons to be learned from university support of Maine's traditional industries. The University of Maine, for example, is world recognized for its chemical engineering graduates who work in the forest products industry. The University supports research in cooperation with and with some funding from other natural resource based industries. Such partnerships exist in biotechnology, wood composites and sensor research, but more university-industry research partnerships are needed in emerging industries.

Management and Funding

The most unglamorous and the most difficult, but perhaps the most important reform lies in improving operations, governance and funding patterns. But with little new state funding in the cards, this is where we must look for the savings to keep tuition costs down and to create resources for future oriented initiatives.

Maine faces three key problems on the operational side: too many small units with overlapping programs, a funding mechanism that fails to incentivize growth, and the lack of a means of coordinating the two large systems. Fortunately, all three areas can be improved.

Many Small Units

Over ninety percent of the people of Maine are within a thirty-minute commute of some postsecondary educational venue, be it a college or university campus or a learning center operated by the university or community college system. For a student living on an island in Penobscot Bay or in rural northern Maine, this proximity is essential. But as David Whiry and Tom Ducheneau point out, the price we pay for providing geographic access is a loss of economic access. Because we host so many relatively small, somewhat duplicative units, they argue, we suffer diseconomies of scale resulting in higher tuition.

The reality of duplication of programs and services will only become more acute as community colleges expand general education programs and offer degrees equivalent to the first two years of the baccalaureate.

There are some promising approaches to getting costs down while sustaining community based services. One is to clarify the role of the community colleges and that of the university centers located, and sometimes collocated across the state. A second is to create incentives for regional two and four-year schools to work together by offering a bonus to a combined effort that serves a thousand or more students with shared management, curriculum and faculty. The resulting tight consortia of schools have the potential to keep up services across the wide geography of our state and to maintain institutional identity, while keeping costs down.

Maine has more experience than many states in offering education at a distance using technology. With greater access to the Internet, Maine can also call upon its investment in distance education to maintain access at a reasonable cost.

Funding Mechanisms

The best thinking, if not the best practice, on funding higher education emphasizes a simple approach which combines a base level of support to maintain institutional capacity coupled with some incentive funding to address state priorities. On balance, Maine handles the capacity part of the equation well. It does less well on funding for new initiatives.

In recent years, the legislature has set aside money to support driven research with commercial potential. This would be an example of an incentive fund, since the state money often leverages additional federal support. Chancellor Westphal's call for an \$11 million dollar student aid fund represents another example of an incentive fund.

Elsewhere, incentive funds matching public, business and philanthropic support have delivered an institutional pay off as well. The spectacular growth of schools like Virginia Commonwealth, Boise State and the University of Nebraska-Omaha has been fueled with this kind of support.

What I am suggesting is to expand our current practice to include other incentive pools. Taking a cue from other states, Maine could for example, establish incentive funds to increase the enrollment of low income students,

to increase graduation rates in high demand fields and, as suggested earlier, to combine regional programs and services. These “top up” funds would build on existing market based incentives to enroll more students, produce more graduates and reduce costs.

Two Systems and an Increasingly Shared Agenda

The new reality that both of Maine’s Systems of higher education share what to the public and students seems a very similar mission for the first two years creates a real dilemma for the two boards of trustees and their executives. On the one hand, the systems have different expectations of faculty, teaching loads, investments in physical plant and, not surprisingly, different cost and tuition levels. Of course, the University has the unique responsibility for research. Yet the distinctions between the first two years of general education appear pretty slim, I think, to the student-consumer, their families and elected representatives. And corporate managers wonder if substantial savings wouldn’t be achieved from the combination of overhead operations of the two systems just as they in larger corporations.

To be sure, the two large systems have worked together to address credit transfer, to combine some services in their learning centers and in requests for private and public funding. But with the rapid growth in community college enrollment and programs, the states chronic revenue problems and legitimate public expectations, clearly more work on harmonizing the efforts of the Systems needs to be done.

Other states offer a variety of models for stronger coordination, but no “off the shelf” standard will likely be suitable for Maine. Some states are considering new “overarching” boards comprised of business, education and policy leaders. Others like Florida recently and New Jersey in the early 90s, did away with a statewide board all together in favor of local governing boards. The National Center for Higher Education Management Systems recommends attention to more effective processes rather than more bureaucracies. For example, whatever the structure, it makes sense to focus on incentives for systems to work together in achieving public ends, along with an independent means of verifying the effects of that cooperation.

Greater integration, on both the administrative and academic sides, of Maine’s two large systems offers educational and economic benefits. Working out a sensible program to achieve these benefits would seem to be a major strategic responsibility of the trustees and executives of these organizations.

Student Financial Aid

Maine received an “F” for affordability in the *Measuring Up 2002, The State-By-State Report Card for Higher Education* issued by the non-partisan National Center for Public Policy and Higher Education. We do so poorly in this area because financial aid doesn’t make up for high tuition and low per capita income. Compared to the best performing states, according to the report, Mainers pay a greater percentage of their income for college costs, Maine offers less state aid for low income residents and students cross the graduation stage with higher debt.

Make no mistake, improvements in support for the most talented students from the institutions themselves and sources like the Mitchell Fund are essential to stemming the migration of our most able students. Yet we need to do a better job with the low income and less well prepared too. Chancellor Westphal's request for an additional \$11 million for need-based aid linked to academic performance is a very good idea.

But we find ourselves willy-nilly pursuing a policy of high tuition-not so high aid by separating decisions about the state allocation to higher education from decisions about tuition and financial aid. This episodic approach means that aid never fully catches up with tuition increases. In future funding requests and decisions, we need to formally link the state allocation, tuition policy and student financial aid and do so at the same time.

Conclusion

Warren Brown, a sports reporter, described the 1945 World Series matching the Chicago Cubs against Detroit, "this is a series neither team can win." If we continue on our present course, everyone will lose. The colleges and universities will have fewer resources, students will have to pay higher tuition, participation rates will stagnate and more talented young Mainers will head for the border.

Yet a better future lies ahead if we address three prominent challenges: linking higher education agenda and the state's economic agenda more

effectively; finding a way to harmonize the offerings of the two systems across the state; and improving financial aid for low income Mainers so as to increase the chances of success.

Fortunately, Maine currently employs an exceptionally able group of educational leaders both of its Systems and its colleges and universities. Working within a tradition of personal, hands-on problem solving, addressing the challenges outlined here ought to be job one for these leaders, and especially for Maine's Governor.

Thank you.

Terrance MacTaggart is the immediate-past Chancellor of the University of Maine System. Educated at Canisius College and Saint Louis University, he is an experienced leader and recognized scholar in American higher education. He is currently University of Maine System Research Professor, and a Senior Fellow with the Center for Public Higher Education Governance and Trusteeship. In addition to his chancellorship of the University of Maine System, he has held this position with the Minnesota State University System, and the University of Wisconsin – Superior.

Dr. MacTaggart's research and publications focus on higher education policy and management, state-university relations, and economic development. With James Mingle, he recently authored Pursuing the Public's Agenda: Trustees in Partnership With State Leaders. In 1995, he served as the editor and lead author of Restructuring Public Higher Education: What Works and What Doesn't in Reorganizing Public Systems. He has served as a consultant to numerous colleges, universities, and systems, including the University of Nebraska System, the University System of Maryland, the University of North Carolina at Chapel Hill, the Oregon University System, and the University of Alaska System.

