ABSTRACT
ALEXANDER, LINDA BUCK. State Authority and Local Campus Governance: Accountability Measures and Performance Standards for North Carolina Community Colleges. (Under the direction of Carol E. Kasworm.)

The relationship between legislative policy makers and educational leaders is complex and multifaceted. Using a series of legislative acts that established twelve accountability measures and performance standards for North Carolina community colleges, this qualitative case study examined the relationship between state authority and local governance in the context of a policy making environment.

This study was a historical examination of five legislative acts that were enacted in North Carolina from 1989 through 2000. Document analysis was conducted for the legislative acts and related documents and the minutes of various committees and task forces. In addition, semi-structured interviews were conducted with key administrators of the North Carolina Community College System Office, community college presidents and administrators, and the Community College Fiscal Research Analyst who served as staff to the North Carolina General Assembly; each of these individuals provided particular insight into the relationship and interactions between legislative policy makers and community college leaders.

At the core of the college-state relationship is a long-standing debate regarding the level of authority and responsibility which should be assigned to the state versus that which should be assigned to individual institutions. However, an analysis of the policy development examined in this study suggests that the relationship between state authority and local campus governance is much more complex than a mere matter of more state
authority and less local autonomy or vice versa; it is not one or the other. Rather, there has been a shift in the policy making environment for community colleges.

First, it was determined that there were several factors that influenced the establishment of accountability measures legislation. A common thread for all of these factors was a call for greater accountability with a focus on educational outcomes. Thus, there has been a shift in the policy making environment from measuring success in terms of access to measuring success in terms of educational outcomes.

Second, an examination of the interactions between legislative policy makers and community college leaders revealed that with the establishment of the initial accountability measures, a struggle began between legislators, who pushed for increased college-level accountability, and community college leaders, who contended that individual college performance was a matter to be handled by local boards of trustees and local college administrators. In the middle of this struggle was the North Carolina Community College System Office. The legislature’s continued push for increased levels of individual college accountability resulted in the establishment of policy that, from the perspective of community college leaders, had a definite impact on local campus governance. Thus, there has been a shift in the policy making environment from laissez-faire state involvement to interactive state involvement.

Third, an examination of the legislative acts indicated that with each legislative act, the legislature made a specific mandate for accountability but left it to the Community College System and individual community college leaders to decide what that system of accountability would be. However, when the legislators were not satisfied
with the community college response, they enacted additional legislation. This on-going cycle of legislative action and community college response indicates a shift in the policy making environment from independent institutional policy making to negotiated policy development.

The shift in policy making environment reflects the complexity of the relationship between state authority and local campus governance. More importantly, this shift calls for a relationship of mutual support and cooperation between state policy makers and campus leaders.
State Authority and Local Campus Governance: Accountability Measures and Performance Standards for North Carolina Community Colleges

by
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DEDICATION

This research is dedicated with respect and love

To my children, Richard, William, and John, who in the course of this work have grown from little boys to young men. I am so proud of each of you.

To my husband, Jerry, who has endured life with me throughout the completion of this research.

and

To my parents, Ruby and Mallory Buck, who instilled in me the belief that anything worth doing is worth doing right.

Thanks to each of you for your love and support. I love you dearly.
BIOGRAPHY

Linda Buck Alexander is the only child of Mallory Hugh and Ruby Benton Buck. Raised on a tobacco farm in Gates, North Carolina, she learned at an early age the values of honesty and hard work. She attended East Carolina University in Greenville, North Carolina where she graduated Magna Cum Laude with Bachelor of Arts degrees in Mathematics and Computer Science. She also earned the Master of Arts degree in Mathematics from East Carolina University.

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Chapter 1: Introduction

Background

In the educational arena, there exists an intricate relationship between state authority and local campus governance, between legislative policy makers and leaders of institutions of higher education. “The relationship between higher education and the state has become essential, but it has never been easy” (Lingenfelter, 2004, p. 47). Robert W. Scott, former governor of North Carolina (1969-1973), who later served as President of the North Carolina Community College System (1983-1995), expresses his view on the nature of this relationship, “It was obvious, and still is, that educators and politicians as a whole do not recognize and understand the complex interaction of the many factors bearing on the educational decision-making process” (Scott, 1975, p. ii).

At the core of this relationship is a long-standing debate regarding the level of authority and responsibility which should be assigned to the state versus that which should be assigned to individual institutions. Throughout the history of higher education, there has been a great deal of discussion with respect to this balance of authority; Savage (1933) states that higher education during the period following the Revolutionary War was characterized by a “struggle between those, on the one side, who sought to perpetuate institutional control among colonial colleges long established and, on the other, who favored state control” (p. ix). Indeed, the deliberations are age-old. Still there is no consensus or clear delineation between the responsibilities of the state and the responsibilities of the institution. In practice, the level of authority varies from state to state on a continuum that ranges from a high level of local autonomy with little state
required accountability to minimal levels of local autonomy with centralized state-level
decisions affecting all facets of local practice (Carnegie Commission on Higher

Since the 1970s, as the competition for state funding has increased along with
public awareness and demand for educational accountability, there has been a marked
increase in state legislation that has a direct impact on local campus practice (Angel,
1982; Berdahl, 1999; Cohen, 2001; Duderstadt, 2001; El-Khawas & Rossman, 1987;
Martorana & Garland, 1985; Martorana & McGuire, 1976; Martorana & Smutz, 1980;
Richardson & de los Santos, 2001; Wellman, 2006). This increased state involvement has
been accompanied by a heightened concern among leaders and scholars in higher
education (Cohen, 1975; Dunderstadt, 2001; Tollefson and Fountain, 1992; Vaughan,
1981; Wellman, 2006). While legislators strive to ensure the efficient and effective use of
state expenditures, institutional leaders seek to preserve local autonomy contending that
they can best understand and respond to the needs of their primary stakeholders.

Understandably, legislative officials and educational practitioners have different
perceptions of their respective roles in policy making and governance of the local
institution, both proclaiming to protect the interest of the constituents whom they serve.
Furthermore, the relationship between these two entities is in constant flux as changes
occur in the focus of public attention as well as educational trends. Given these two
different points of interest, it is thus important to understand and foster the college-state
relationship. In the words of Press (as cited in Bowen, 1979),
The university should remain a strong but fair critic of the government. But it should also be its best ally. We desperately need each other to deal with the very difficult problems that this country and the world face in the years and decades ahead. Only when the power of knowledge and forces of political action are united can most of those problems be solved. And others are bound to follow in their wake. So we are going to be working together for a long time (p. 6).

State and Institutional Responsibilities

The differentiation between the authority of the state and the responsibilities of the institution is the focus of two reports by the Carnegie Commission on Higher Education (1971, 1973) and an additional report by the Carnegie Foundation for the Advancement of Teaching (1976). Based on these reports, a primary responsibility of the state is appropriation of funds for public institutions. In addition, states are involved to varying degrees in definition of institutional purpose, long-range planning, quality control, and establishment of broad-based policy. Furthermore, the Carnegie Commission and the Carnegie Foundation advocate that individual institutions should maintain responsibility for administrative processes and the implementation of educational programs inclusive of policies relating to intellectual conduct and other academic issues. This stance is supported by Wellman (2006) who stresses that “state oversight should avoid intrusion into academic policy” (p. 54).

Providing a more specific delineation of state and local authority, the Carnegie Commission on Higher Education (1971, 1973) notes that the state should be responsible for broad-based decisions such as (a) appropriation of public funds and establishment of
general accounting practices, (b) establishment of general admissions requirements and policies that ensure equality of access, (c) establishment of policies that ensure equal employment opportunities for women and minority groups, and (d) establishment of new campuses and definition of general functions of the various institutions. The Commission further states that the institution should maintain responsibility for (a) budget management and allocation of resources for specific purposes; (b) individual student selection; (c) selection and promotion of faculty, establishment of academic policies including those policies that ensure academic freedom, and selection of academic and administrative leadership; and (d) establishment of specific academic programs.

Although the Carnegie studies suggest some delineation in the responsibilities of the state versus those that should be in the purview of the institution, this has continued to be contested terrain. The level of state authority increased substantially during the 1960s which was a period of significant growth in both the number of institutions and student enrollment in higher education. Along with this expansion, there was an increase in federal aid with federal regulations requiring state agencies to manage the distribution of federal funds to individual institutions (Carnegie Commission on Higher Education, 1971; Cohen, 2001; Kerr, 1991). Growth in the number of institutions also resulted in undesirable competition and duplication of programs which resulted in state intervention to provide coordination between institutions. Furthermore, increased access gave rise to a concern for equality of opportunity as well as more widespread public interest in higher education leading the state to assume a greater role in insuring equal access and accountability for the quality of programs.
All of these factors led to heightened awareness at the state level and a need for statewide coordination (Carnegie Commission on Higher Education, 1971, 1973; Carnegie Foundation for the Advancement of Teaching, 1976; Blocker, Bender, & Martorana, 1975; Kerr, 1991; Wellman, 1978). However, perhaps the greatest stimulus for state involvement was an increase in the level of state funding which was accompanied by a call for greater accountability (Fleming, 1978; Kerr, 1991; Mundt, 1978; Tillery & Wattenbarger, 1985; Zusman, 2005). As a result of their increased responsiveness, the state assumed a stronger policy making role in its relationship with local institutions.

While the state has a responsibility to ensure equitable, effective, and efficient educational practices, there is at the same time concern for protection of local autonomy. The notion of local autonomy is based on the early traditions of higher education which is rooted in the foundation of private, sectarian institutions (Blocker, Bender, & Martorana, 1975; Kerr, 1991). Noting this history, Blocker, Bender, and Martorana state, “Traditionally, Americans have insisted upon a separation of higher education, public as well as private, from the political system” (p. 2). A core value of these institutions was the concept of academic freedom which assured faculty members the right to pursue research and study in topics of choice within their respective fields of expertise, publish their findings, and relay the information to the classroom. Furthermore, academic freedom gave rise to institutional and professional autonomy (Blocker, Bender, & Martorana, 1975). Gellhorn and Boyer (1978) point to an era when
University presidents and provosts declared policy. . . . Appointment, promotion, and tenure of faculties (as well as of other university employees) were matters of grace determined by departmental chairmen and college deans. . . . Curricular decisions were made by faculties. . . . Admissions went almost by default” (p. 30).

The Carnegie Commission on Higher Education (1973) identifies three common arguments for institutional independence: institutional independence leads to diversity; institutional independence generates innovation; and academic freedom of faculty is dependent upon institutional independence. Contending that these standard arguments do not sufficiently justify the need for independence, however, the Commission identifies additional factors. According to the Commission, “Professional matters are best left to members of the profession” (p. 23). As such, professional faculty and administrators are best qualified to make decisions regarding issues such as student admission, faculty selection and promotion and departmental leadership, curriculum content and the awarding of degrees, and approval of research projects.

The Carnegie Commission on Higher Education (1973) further notes that institutional independence promotes a sense of local responsibility and devotion among faculty, students, administrators, and trustees which enhances the effectiveness of the college. In addition, when there is a reasonable level of institutional independence as opposed to excessive state control, alumni and the community are typically more supportive in service and financial contributions. Other advantages of institutional independence identified by the Commission include reduced likelihood of partisan politics and governmental bureaucracy along with a stronger check and balance for a
democratic society.

The struggle between state authority and local governance has marked much of the history of higher education, and the last several decades have seen significant change in the balance between state authority and local governance. As state legislatures have become more active in mandating policy that has direct impact on governance of institutions, there has been a heightened concern among college authorities and leaders regarding the protection of local autonomy. This concern is expressed by the Carnegie Commission on Higher Education (1971, 1973) and is echoed by the Carnegie Foundation which states, “The independence of institutions of higher education has been eroding rapidly, not just through the new centralization, but also through older mechanisms of control” (Carnegie Foundation for the Advancement of Teaching, 1976, p. 13).

*Local Autonomy within the Community College Sector*

The concern for autonomy in local governance is particularly relevant in the community college sector of higher education. Originating as extensions of high schools, community colleges historically operated under the jurisdiction of a local governing lay board. As the ties to secondary education were severed, most public two-year colleges maintained the concept of a local governing board whose members are either elected by the community or appointed by a governmental agency (Cohen & Brawer, 1996). “Ideally, the local board is the bridge between college and community, translating community needs for education into college policies and protecting the college from untoward external demands” (Cohen & Brawer, 1996, p. 120). Thus, community college
leaders tend to view local autonomy as synonymous with the ability to serve the
community and meet the needs of local citizens.

Reflecting the disquiet of many community college leaders with respect to state
involvement, Cohen (1975) asserts,

Gradually, steadily, seemingly irresistibly, governmental agencies, commissions,
boards, and legislatures are impinging on the colleges. All is done with the best of
intentions. . . . But people in the colleges may be forgiven if they see the state as
an unwelcome intruder. Pummeled by many rapidly shifting demands, they find it
almost impossible to maintain their own vision of appropriate educational
services (p. ix).

In the early 1980s, Vaughan (1981) identified state involvement as the major issue that
community college leaders would face in the coming decade. Moreover, based on their
study of community colleges, Tollefson and Fountain (1992) indicate that in practically
every state, state legislatures and state governing or coordinating boards make
governance decisions such as fund appropriations, rules regarding the expenditure and
accountability of these funds, and decisions that dictate or strongly influence college
mission statements.

**Relationship Between State Authority and Local Governance**

There has been and continues to be an abundance of discussion and debate
regarding the need for state involvement countered by concern for the protection of local
autonomy. The state has a responsibility to provide coordination of institutional services,

promote equality in access, and ensure institutional accountability (Berdahl, 1999;
Richardson & de los Santos, 2001; Wellman, 2006; Zusman, 2005). However, there are many noted scholars who suggest that local autonomy in governance is diminishing in the current policy making environment and proclaim that the state has become too intrusive in local decision making (Cohen, 1975; Dunderstadt, 2001; Richardson & de los Santos, 2001; Tollefson and Fountain, 1992; Wellman, 2006; Vaughan, 1981).

Clearly, legislative officials and educational leaders have different perceptions of their respective roles in policy making and governance of the local institution. Furthermore, the relationship between these two entities is not static; rather it is in constant flux, evolving, and at times contentious. Given that both legislative policy makers and institutional leaders have a significant impact on the governance of institutions, there is an obvious need to foster the college-state relationship. Thus, it is important to understand the dynamics of this relationship, the factors that evoke change in the relationship, and how these two entities interact and, at times, clash with respect to their differing points of interest.

**Study Purpose and Design**

The purpose of this study was to examine the relationship between state authority and local governance of community colleges in the context of a policy making environment. As a means of providing insight to this relationship, research was conducted on the enactment of specific legislation in North Carolina that has had an impact upon local governance and practice of community colleges in that state. The legislation was examined with respect to the circumstances that led to its enactment and the development and impact of the legislation.
One such example of state mandated policy that has an impact on local institutional practice is found in North Carolina’s implementation of accountability measures and performance standards for community colleges. In 1989, the North Carolina General Assembly enacted legislation requiring the State Board of Community Colleges to define statewide measures of accountability for all community colleges in that state (North Carolina Session Law, 1989, section 80). This was followed by 1993 legislation calling for the identification of measures that would be appropriate for assessing individual college performance and the establishment of corresponding institutional performance standards (North Carolina Session Law, 1993, section 109). In 1998, the General Assembly called for a review of the existing accountability model and mandated the establishment of a new system of accountability (North Carolina Session Law, 1998, section 10.5). This resulted in 1999 legislation that established twelve accountability measures and performance standards for North Carolina community colleges (North Carolina Session Law, 1999, section 9.2) with minor additions and revisions enacted in 2000 (North Carolina Session Law, 2000, section 9.7). This series of legislative acts provided an opportunity for in depth empirical examination to enhance the understanding of the relationship between state authority and local governance.

Using a qualitative case study design, this study, through the analysis of written documentation and interviews with individuals who could provide meaningful insight and information, explored (a) the circumstances surrounding the enactment of the legislation, (b) the interactions between legislative policy makers and community college leaders, and (c) the impact of the legislation on local campus governance.
Research Questions

This study specifically examined

1. What circumstances led the state to enact legislation that influenced the governance of local community colleges?

2. What interactions took place between legislative policy makers and community college leaders as higher education legislation was developed?

3. How did community college leaders perceive the impact of state legislation upon local campus governance?

Context of the Case Study

As a means of examining the relationship between state authority and local governance, this study looked at a series of legislation enacted by the North Carolina General Assembly that had a direct impact on the governance of local community colleges. North Carolina has 58 public community colleges which operate as independent institutions within the North Carolina Community College System, and the Community College System functions under the direction of the State Board of Community Colleges. Operating within the guidelines of the administrative code established by the State Board, each college functions autonomously under the direction of its own governing board (Community College Laws of North Carolina, 2005). These colleges offer terminal degree programs in vocational and technical fields as well as comprehensive programs of study designed for college transfer.

In 1989, the North Carolina General Assembly called for the State Board of Community Colleges to “develop a ‘Critical Success Factors’ list to define statewide
measures of accountability for all community colleges” (North Carolina Session Law, 1989, section 80). In 1993, the General Assembly enacted legislation requiring the State Board of Community Colleges to “establish standards for levels of institutional performance on those critical success factors that can be appropriately measured to indicate how individual colleges are performing in meeting the goals of the North Carolina Community College System” (North Carolina Session Law, 1993, section 109). Five years later, the General Assembly called for a review of the existing accountability model and mandated the establishment of accountability measures and performance standards that would better ensure that colleges and programs were meeting the needs of students, employers, and the general public (North Carolina Session Law, 1998, section 10.5). After a thorough study had been conducted, the General Assembly passed 1999 legislation mandating the State Board of Community Colleges to implement “new accountability measures and performance standards to be used for performance budgeting for the Community College System” (North Carolina Session Law, 1999, section 9.2).

Based on this legislation, twelve accountability measures were established for evaluating each college, and a minimum performance standard was set for each measure. Additional legislation was enacted in 2000 that made minor revisions to the accountability measures and performance standards requirements (North Carolina Session Law, 2000, section 9.7). The legislation called for each college to publish its performance on the twelve measures and also specified that the North Carolina Community College System Office must publish the performance of all colleges in its annual Critical Success Factors Report. In addition, six of the twelve measures were
identified for performance budgeting. As such, for each of these six performance measures on which a college met the minimum required performance, the college would be allowed to retain and carry forward one-third of one percent (1/3 of 1%) of its final fiscal year General Fund appropriations. In addition, colleges who met the performance standard for at least five of the six accountability measures would be eligible for additional carry forward funds.

The enactment of this series of legislation provided an opportunity to examine the relationship between state authority and local governance of community colleges. This particular series of legislation was meaningful to the study for several reasons. The legislation established statewide policy for all community colleges and had potential impact on a number of different areas of local campus governance. Furthermore, legislation and any resulting policy had been established long enough to examine its impact. Finally, because the accountability measures and performance standards evolved over a ten-year period through the enactment of related successive legislative acts, this series of legislation provided an opportunity to examine a repeated cycle of legislative enactment, response to the legislation, and enactment of additional legislation.

Significance of the Study

This study has several implications for research and theory. While there are a number of reports regarding the opinions of legislators and state executive officials with respect to governance in higher education (Eulau & Quinley, 1970), the involvement of the states in local responsibilities of higher educational institutions (Carnegie Commission on Higher Education, 1971, 1973), and the interrelations between state
authority and local responsibility (Carnegie Foundation for the Advancement of Teaching, 1976), these reports are not based upon empirical research. Through the years, there have been several studies that have examined the number of legislative acts within a particular time period that had an impact on community colleges (Martorana & Garland, 1985; Martorana & McGuire, 1976; Martorana & Smutz, 1980) and the nature of such legislation (Palmer, 2003). However, these studies did not examine the circumstances surrounding the enactment of legislation or the interaction between legislative policy makers and institutional leaders.

This study provides a landmark contribution to the body of literature regarding the relationship between state authority and local governance and the complexities of this relationship. In addition, the study serves to provide empirical research regarding community college leaders’ perceptions of the impact of the legislation on local campus governance. As such, it lays the foundation for additional research in this area.

This study also serves to inform the practice of community college leadership. Reflecting upon the tremendous change in community college governance through the years, Lovell and Trouth (2002) stress the need for community colleges to continue to face the issues that shape their role in the educational arena. They assert that in order to successfully face these issues, community college leaders must understand “their relationship to various constituents, including the state” (p. 98). Their comments echo Vaughan, who two decades earlier advised that community college leaders must “acknowledge the tides of encroachment that an individual campus cannot stem” (Vaughan, 1981, p. 48). Furthermore, in the conclusion of a study analyzing legislative
bills, Palmer (2003) identifies the need for “follow-up case studies that document what
happens to initiatives written into bills and what impact, if any, those initiatives have”
(p.12).

According to Tschechtelin (1994), state officials must recognize the value of local
colleges, and colleges must strengthen their relations with state officials. This study
serves to expand community college leaders’ awareness of state involvement and
enhance their understanding of how legislation evolves. As such, it will provide
meaningful insight as these leaders seek to improve the college-state relationship and
take a proactive role in working with state-level officials to positively influence the
autonomy of local institutions with respect to governance.
Chapter 2: Review of Related Literature

Introduction

This study examined the relationship between state authority and local governance of community colleges in the context of a policy making environment. Throughout the history of higher education, there has been a great deal of discussion and debate regarding the level of authority and responsibility which should be assigned to the state versus that which should be assigned to individual institutions. Since the 1970s, there has been significant increase in state legislation that has a direct impact on local campus practice (Angel, 1982; Berdahl, 1999; Cohen, 2001; Duderstadt, 2001; El-Khawas & Rossman, 1987; Martorana & Garland, 1985; Martorana & McGuire, 1976; Martorana & Smutz, 1980; Richardson & de los Santos, 2001; Wellman, 2006). This increased legislative action has been accompanied by a heightened concern among higher education scholars and leaders regarding the extent of state involvement (Cohen, 1975; Dunderstadt, 2001; Tollefson and Fountain, 1992; Vaughan, 1981; Wellman, 2006).

Legislative policy makers and educational leaders have different perspectives regarding their roles in governance of the local institution. The legislative goal is to ensure the efficient and effective use of state expenditures in higher education. At the same time, university and college leaders feel they can best respond to the needs of their primary stakeholders, and as such, seek to preserve local autonomy. Given these two points of interest, there is an obvious need to understand and foster the college-state relationship.
Using a series of legislative acts that established accountability measures and performance standards for North Carolina community colleges as a case study of state-mandated policy, this study examined the relationship between state authority and local governance. The legislation was examined with respect to the circumstances that led to its enactment, the development of the legislative policy, and the impact of the legislation.

The purpose of this chapter is to present a review of the literature as it relates to this study. The following narrative provides (a) an overview of governance in higher education followed by (b) a review of the literature that reflects upon the relationship between state authority and local governance.

**Governance of Higher Education**

To establish a context for the examination of the relationship between state authority and local governance of educational institutions, it is helpful to understand how these local institutions are governed. Within the environment of higher education, inclusive of community colleges, a number of scholars have posed various definitions and models of governance.

Hirsch and Weber (2001) define governance in higher education as the “formal and informal exercise of authority” (p. viii) that articulates the roles and interactions of various participants in the achievement of institutional goals. According to Birnbaum (1988), governance refers to the “structures and processes through which institutional participants interact with and influence each other and communicate with the larger environment” (p. 4). Deegan (1985) defines governance as “the framework in which decision making occurs” (p. 73). Similarly, Fryer and Lovas (1991) assert that all
individuals in each institution make decisions; they define governance as “a process that helps create the organizational climate within which those decisions are made” (p. xi). Gollattscheck (1985) maintains, “At its simplest level, governance is the process through which decisions are made in an institution” (p. 83). Stating that it is difficult to establish a clear distinction between the terms governance and administration or management, Cohen and Brawer (1996) point out that the terms are often used interchangeably. Peterson and Mets (1987) concur that there is a confusing overlap in the terms governance and management, but they define governance as the structure and process of decision making, while management is the structure and process of implementing those decisions.

The Carnegie Foundation for the Advancement of Teaching (1976) asserts, “Governance of higher education is an exceedingly intricate matter. The internal practice of governance varies by type of institution” (p. 13). Typically, oversight authority is granted to a board of trustees who, in turn, delegate operational authority to the institution’s president (Cohen and Brawer, 1996; Ehrenberg, 2004).

Richardson (1975) identifies three models that can be used to categorize college structures: the bureaucratic model, the political model, and the shared authority model. According to Richardson, the bureaucratic model depicts the college as a pyramid structure with clearly defined levels of functions and responsibilities. Authority is delegated from the top down with individuals at the top of the pyramid having greater responsibility and privileges, while faculty and students comprise the lowest level of the triangular structure. The political model identifies students, faculty, administrators, and
trustees as competing forces with each constituency having its own specific interests. Based on this model, the college exists in a state of conflict between these groups of individuals. Calling for colleges to become shared learning communities, Richardson also describes the shared authority or collegial model in which “faculty and students are part of a community of equal partners” (p. ix). According to this model, authority is shared between trustees, administrators, faculty, and students, and decisions are made based upon group consensus.

With regard to the community college sector, Cohen and Brawer (1996) indicate that most of the models of governance have been developed based on observations of university systems and are more complex than necessary for describing community colleges. Suggesting that the collegial model of shared governance simply does not exist in reality, they indicate that the bureaucratic and political models are more suited for describing community colleges; these institutions exist as hierarchal organizations in which decisions are made based upon compromises among the contending forces. According to Cohen and Brawer however, community college leaders are not overly concerned with theoretical models and tend to “conduct their affairs typically embroiled in the complexities of the moment” (p. 103). The following section provides a more in-depth examination of governance of community colleges.

_Governance of Community Colleges_

In discussing the governance of community colleges, it is important to understand the history of these institutions that emerged under the “often contradictory influences of the high school and university” (Pedersen, 1994, p. 30). Many community colleges were
established as extensions of local high schools. Although practically all public community colleges have severed their ties to secondary education over the last two decades, they continue to be influenced by their foundational roots (Cohen, 2001; Cohen & Brawer, 1996). As extensions of local high schools, the early community colleges were supervised by the high school principal or an appointee who was responsible to the principal. Typically, these colleges were under the jurisdiction of the local school board which assumed responsibility for oversight issues such as budgetary decisions.

According to Cohen and Brawer, as the colleges began to separate themselves from the secondary school districts and establish their own governing boards, the newly created boards of trustees continued to function much like the local school board.

As the two-year college emerged, the curriculum reflected dual functions. One function was the provision of the first two years of undergraduate training which clearly linked the colleges to higher education. The colleges also offered post-secondary technical and vocational training for business, industry, and agriculture (Fryer & Lovas, 1991). This latter function linked the colleges to the community, a bond that was strengthened when most community colleges became “open door” institutions in the years immediately following World War II. Fryer and Lovas point out that the provision of the pre-baccalaureate curriculum places the two-year college in the domain of higher education while the local governing board and strong community ties are more akin to secondary education. Expanding on these relationships, they state,

This conceptual ambiguity is further reflected in a certain inherent tension in the institution’s governance. In the historical secondary model, decision-making was
largely a top-down activity, beginning at the top with the school board and carried out internally by the board’s administrative staff. The university model, in contrast, assigns administration a first-among-equals role, with faculty dominating decision-making in many key areas. The tensions between these models characterize community colleges (Fryer & Lovas, 1991, p. 26).

During the 1950s and 1960s, state systems emerged as a component of governance for community colleges in many states. According to Fryer and Lovas (1991), these organizations developed to “give state-level policy makers clearer lines of accountability and to give people in the local institutions a sense that someone was speaking for them in state capitols” (p. 30). Through the years, a number of state-level organization patterns have materialized. Tollefson and Fountain (1992) report that most community colleges exist under one of four entities of state governance. Of forty-nine states surveyed as part of their research, community colleges in seven states were governed by a state board of education; in sixteen states, community colleges were governed by a state board of higher education; seventeen states had a community college board; and seven states had community colleges governed by a public university system.

Clearly, community colleges have emerged into their own existence, influenced by but separate from secondary education, and with a unique role within the environment of higher education. Cohen and Brawer (1996) describe the governance structure of these colleges. Typically, the colleges function under a local board of trustees whose members are either elected locally or appointed by a governmental agency. The board is responsible for establishing institutional policy and employing the chief executive
officer. In addition, a primary role of the board is to serve as a communication link between the college and the community (Cohen & Brawer, 1996; Fryer & Lovas, 1991).

The chief administrative officer, typically a president, is responsible for the general administrative functions of the college and serves as the primary spokesperson for the college (Cohen & Brawer, 1996). Vaughan (1994) outlines twelve areas of presidential focus which include mediating disputes, ensuring good management practices, serving as educational leader, and functioning as an institutional symbol.

_Governance of North Carolina Community Colleges_

Since this study was specifically related to community colleges in North Carolina, it is meaningful to look at the governance structure in that state which is representative of the framework outlined in the preceding section. As stated previously, North Carolina has 58 public community colleges. These colleges operate within the North Carolina Community College System which is governed by the State Board of Community Colleges.

Comprised of members from across the state, the State Board consists of ten members appointed by the state Governor and eight members elected by the General Assembly with four members elected by the Senate and four members elected by the House of Representatives. Appointed and elected to fill staggered six-year terms, board members may not serve more than two consecutive terms. The Board is responsible for electing a chair who serves a two-year term (Community College Laws of North Carolina, 2005). In addition, the Lieutenant Governor or a person designated by the Lieutenant Governor, the Treasurer of North Carolina, and the president of the North
Carolina Comprehensive Community College Student Government serve as ex officio members (Community College Laws of North Carolina, 2005).

The State Board of Community Colleges is required to meet a minimum of ten times per year. It must meet at least once per year with the State Board of Education and the Board of Governors of the University of North Carolina to “discuss educational matters of mutual interest and to recommend to the General Assembly such policies as are appropriate to encourage the improvement of public education at every level” (Community College Laws of North Carolina, 2005, p. 10).

The State Board of Community Colleges is responsible for selecting the president of the North Carolina Community College System who serves as the chief administrator for the System with no restrictions on the length of service (Community College Laws of North Carolina, 2005). The president is responsible for establishing the remainder of the organizational structure for the Community College System, and personnel are elected by the State Board based on nomination by the president.

Each of the state’s community colleges is governed by a local board of trustees. Comprised of a minimum of thirteen members, the local board includes four members appointed by the state governor, four members appointed by the local board of county commissioners, and four members appointed by the local board of education. In addition, the president of the student government or the chairman of the executive board of the student body of each college serves as an ex officio, nonvoting member of the college board of trustees (Community College Laws of North Carolina, 2005). The local board of trustees is responsible for hiring and evaluating a president for each college with the
selection of a president subject to approval by the State Board of Community Colleges. The college president is responsible for the operation of the college.

The preceding narrative has examined governance of institutions of higher education with specific focus on community college governance and the current governance structure of North Carolina community colleges. The next section turns to a discussion of the relationship between state authority and local governance.

State Authority and Local Governance

The relationship between state authority and local governance of educational institutions has garnered attention throughout the history of higher education. Discussion and debate regarding the involvement of state legislative bodies in the practices of institutions of higher education can be traced to the period following the Revolutionary War (Savage, 1933). The Carnegie Foundation for the Advancement of Teaching (1976) notes, “The states, and the colonies before them, have been involved in the development of higher education since the founding of Harvard in 1636. This involvement sometimes has been relatively passive and sometimes . . . relatively active” (p. ix).

State Authority and Local Governance in Higher Education

Early establishment. American higher education began with the founding of Harvard University in 1636. This was followed by the founding of eight additional colonial colleges from 1693 to 1770 (Kerr & Gade, 1989). While these early colleges were typically chartered by a church and considered private, they served the public and received public allocations through land grants as well as direct financial appropriations (Heller, 2004; Kerr & Gade, 1989). Between 1785 and 1821, six states chartered public
state universities. According to Kerr and Gade, these institutions, with one exception, adopted the model of a “self-perpetuating board of trustees, often heavily under the control of the dominant religious group in the state” (p. 22). Similarly, Heller describes these institutions as “quasi public” (p. 50) with a great deal of autonomy granted to their boards of trustees.

The enactment of the Morrill Federal Land Grant Act of 1862 made provisions for at least one college in every state where “the leading object shall be, without excluding other scientific or classical studies, to teach such branches of learning as are related to agriculture and the mechanic arts” (Rudolph, 1990, p. 252). With many of the older universities unwilling to include agricultural and mechanical courses in their curricula, separate institutions were established with separate boards. As these colleges developed within communities, each college board was concerned with local interests and providing services for its constituents, thus promoting individual institutional development and minimizing any form of unification of educational systems (Kelly & McNeely, 1933; Savage, 1933). This trend towards isolated development continued until the early 1900s. At the dawn of the twentieth century, as noted by Richardson, Bracco, Callan, and Finney (1999),

Only a small proportion of Americans attended colleges or universities, and most institutions of higher education were controlled and managed by their own governing boards. . . . There were few public colleges or universities, and these, protected and nurtured by state government, were relatively isolated from one another (p. 4-5).
In the early 1900s, both public and private institutions began to consider the need for coordination of programs (Heller, 2004; Kelly & McNeely, 1933; Savage, 1933). Concern was focused on budgeting issues as well as the quality of education provided and the duplication of educational services. In their 1933 report, Kelly and McNeely state, “To build a State-centered program of higher education to replace the uncoordinated development of the separate institutions, has become the determined effort of leaders in State after State” (p. 179). Their report summarizes the efforts of thirteen states, including North Carolina, which had established a single governing board to coordinate higher education within the state. During the same time period, Elliot and Chambers (1936) conducted a study of legal decisions regarding higher education. This report also acknowledges a move toward increased state control over higher education. Affirming this trend, Heller (2004) states,

Through the late nineteenth and early twentieth centuries . . . states began to assert more authority over many of their public higher education institutions through the development of statewide or systemwide governing boards, through the development of laws and regulations applying specifically to higher education, and in some cases, through the removal of the constitutional autonomy of the institutions (p. 52).

Rise of state coordination. The 1950s saw a substantial increase in the establishment of state coordinating agencies for higher education (Chambers, 1960, 1965; Glenny, 1959; Moos & Rourke, 1959). According to Glenny, there were 379 state controlled colleges and universities in the United States in 1956. Of these, 234
institutions were operating under the authority of a legally established agency responsible for either a group of colleges, usually teachers colleges, or for all public institutions in a state. He identifies increasing complexity of higher education and increasing size of state government as two reasons for this increased centralization under “superboards” (p. 12).

Addressing the complexity of higher education, Glenny (1959) points to the increase in establishment of new institutions and the expansion of program offerings at existing institutions. This growth and expansion was in response to increased needs of higher education brought on by population growth, urbanization, and industrialization. According to Glenny, this multiplication of institutions and expansion of programs often “exceeded the needs and the funds of the state which ambitious legislatures and boards failed to anticipate” (p. 13). As a result, many states began to establish some form of centralized control to respond to the competition for funding and to ascertain the real needs of institutions and of higher education in general.

The state and legislative issues created by the growth and expansion of higher education were compounded by a similar increase in cost, size, and complexity of other state agencies. As state governments provided new services and expanded existing programs to meet needs in public health, corrections, industrial regulation, transportation, and other areas of public concern, it became increasingly difficult for state legislatures to manage the activities of all state functions. Thus, the establishment of state coordinating agencies for higher education was part of a broader plan to reorganize and consolidate state government (Glenny, 1959).
With heightened concern for the level of state influence in higher education, the Committee on Government and Higher Education was established with funding through a grant provided by the Fund for the Advancement of Education of the Ford Foundation. A primary purpose of this committee was to study the “impact of state administrative controls upon the management of state colleges and universities” (Moos & Rourke, 1959, p. v). Citing similar reasons as those identified by Glenny (1959) for increased state control, Moos and Rourke state, “Whatever its antecedents, the trend toward administrative centralization has been a major factor in introducing greater stress into relations between public colleges and universities and state government” (p. 1-2). Based on the findings of the committee, they further attest, “With the steady advance of state controls, the legal independence of higher education in many of the states now stands in serious danger of erosion” (p. 4).

In addition to state coordinating agencies, Moos and Rourke identify the establishment of a state budget office and centralized fiscal control as a channel of increased state influence upon local decisions. While they recognize the need for improved efficiency in governance of state entities and acknowledge the advantages in the centralization of certain functions, Moos and Rourke contend that education is unique compared to other departments or functions of state government; “Intellectual freedom sprouted in an environment of institutional autonomy. It may well lose its vitality altogether if public colleges and universities are ever brought within the harness of conventional state administration” Moos & Rourke, 1959, (p. 290). Echoing the concerns of Moos and Rourke, Chambers (1962) states,
Among the marks of a university are autonomy and responsibility and independence and courage – on the part of students, faculty, administrative officers, and governing board members, and the corporation itself. These qualities are not encouraged, and do not flourish, where the state legislature makes line-item appropriations minutely itemized . . . or authorizes a politically appointed officer to decide what the university shall or shall not print and publish; or in any of a dozen other ways surreptitiously transfers the bulk of the control of the university from its own governing board to various members of a statehouse bureaucracy (p. 23-24).

The influence of state government continued to increase significantly throughout the 1960s with even stronger state influence in the 1970s (Angel, 1982; Richardson, Bracco, Callan, & Finney, 1999). According to Heller (2004), the “trend of assertion of state authority over higher education institutions” (p. 52) continued to grow until the 1980s and 1990s. By the end of the twentieth century, the progression of state influence had leveled off, and there was a variety of trends with some states continuing toward more state authority while others moved toward more institutional autonomy (Heller, 2004; Wellman, 2006).

The preceding sections discussed the events that have influenced the relationship between state authority and local governance of institutions of higher education. The following section examines the state-local relationship with respect to the community college sector of higher education.
State Authority and Local Governance in the Community College Sector

Early establishment. Community colleges were typically established as locally governed institutions, and as such, they functioned for a period of time without significant intervention from state government. Zoglin (1976) and Cohen (2001) point out that since most community colleges were formed as extensions of local high schools, their initial development was under the same local governing structure as secondary institutions. Cohen asserts that these institutions “rose into a vacuum, as it were, well ahead of state authorization or planning” (p. 6). Discussing their early development, Glenny (1974) states that two-year colleges were influenced more by practices of secondary education and were able to maintain a greater level of local autonomy than their four-year counterparts. As late as 1950, Bogue, president of the American Association of Junior Colleges, states that two-year colleges “had been growing without plan, general support, or supervision” (Bogue, 1950, p. 137). Although there had been minimal state or national influence in the early development of community colleges, by mid-century the trend was changing as states began to recognize a need to provide greater coordination for college decisions (Bogue, 1950; Cohen, 2001; Glenny, 1974; Zoglin, 1976).

Rise of state coordination. By the 1960s, a number of states were involved in the development and expansion of community colleges. This involvement came in the form of enacted legislation, development of master plans, and increased funding (Cohen, 2001). State master plans for the development of community colleges continued to evolve throughout the 1960s with California, Florida, Illinois, Michigan, and North
Carolina playing a lead role in statewide planning and development. According to Cohen, state plans typically described organized systems and outlined how the colleges would be funded. Furthermore, the state master plans depicted a move towards the establishment of separate state boards for community colleges even though the state authority was already vested in a state board of education or state board of higher education. Acknowledging a state trend towards more centralized control, Cohen also describes a recognition of the importance of local control.

A number of factors are identified as contributors to the need for state coordination. Wellman (1978) maintains that state involvement is necessary to provide better coordination of the development and expansion of community colleges and to avoid competition and unnecessary duplication. He also identifies advantages in a statewide information management system. In addition, Cohen (2001) points out that if the community colleges are to be an acknowledged entity in the higher education system, there is need for states to be involved in the establishment of guidelines regarding curriculum, professional standards, and student access. Another factor is federal regulations for providing financial support; the Education Amendments of 1972 included the “1202 commissions” which required the establishment of state planning agencies for all post-secondary education in order for a state to receive certain federal funds for the development of community colleges and for career education (Cohen, 2001; Glenny, 1974; Millard, 1974).

While state involvement may be necessary for the reasons stated above, the overriding factor is state funding. A primary factor favoring state planning was the states’
role in equalizing funding for community colleges in order to provide broader access
that state appropriations for two-year colleges with respect to total state appropriations
increased from 6.2% in 1963 to 15.5% in 1973. During the same time period,
appropriations for graduate and research universities decreased from 62.3% of total state
appropriations to 49.6%. It is further noted that an increase in state funding is often
accompanied by increased requirements of accountability (Mundt, 1978; Tillery &
Wattenbarger, 1985). Martorana and Smutz (1980) emphasize that this demand for
accountability is even greater as state budgets become tighter and the public increases its
demand for more efficient government.

*Increased legislation.* From the mid 1970s through the mid 1980s, Martorana
published a number of reports based on surveys he conducted relating to the passage of
legislation that affected community colleges (Martorana & Garland, 1985; Martorana &
“amount of state legislative activity related to community colleges is substantial and
appears to be increasing” (p. 8). As a measure of this trend, they report that a total of 237
pieces of state legislation related to community colleges were enacted in 1976. In 1977,
the number increased to 428 pieces of legislation, and in 1978, a total of 450 pieces of
legislation were enacted that related to community colleges (Martorana & Smutz, 1980).
In 1983, legislatures seriously considered 1,127 pieces of legislation affecting two-year
colleges. This represents a 28.7% increase over 1982 and a 144.5% increase over 1981
(Martorana & Garland, 1985). Pointing out that much of the legislation was intended for
state government agencies in general, Martorana and Smutz (1980) acknowledge it was not aimed directly at community colleges. They contend, however, that community colleges were still affected by this legislation.

Martorana’s findings with regard to state legislation indicate a movement toward increased state control and coordination (Martorana & McGuire, 1976). The state legislation focused on several topics, one of which was state coordination including regionalization and clarity of responsibility of state coordinating boards. Legislation also provided increased funding with some states granting more local financial flexibility while others enacted greater legislative control over spending (Martorana & McGuire, 1976); the trend, however, was toward state control of finances (Martorana & Garland, 1985). Other legislation pertained to personnel matters including collective bargaining, employment security, and faculty tenure; institutional concerns with a focus on institutional status and the authority of local boards; and student issues such as student rights and responsibilities, student aid, and tuition (Martorana & McGuire, 1976).

Another area of focus was administration including administrative operations, studies and surveys, governing boards, and policy formation. There was also legislation that dealt with academic programs (Martorana & Garland, 1985; Cohen, 2001) and academic concerns with respect to accreditation and certification (Martorana & McGuire, 1976). However, Martorana and McGuire state that legislators were not attempting to set academic policy. According to Cohen (2001) and Martorana and Garland (1985), physical facilities and institutional growth received minimal attention.
From Martorana and Smutz’s perspective, state government was clearly involved in postsecondary education through state legislation, and the tendency of the legislation was to bring postsecondary education under the purview of state government instead of treating it as a unique state function (Martorana & Smutz, 1980). Expressing their concern, they state, “The notion that education is a fourth branch of government then, if not in process of abandonment, is at least experiencing serious erosion” (p. 9). Although Martorana and Smutz caution that they do not want to overstate the involvement of state-level decision makers in postsecondary education policy, they stress that the relationship between state government and higher education is characterized by “complexity, ambiguity, and tension which makes the relationship fundamentally different from what it was throughout most of the history of postsecondary education” (p. 9).

Cohen (2001) reports that the amount of state legislation affecting community colleges continued to increase into 1990. Similar to the previous decade, this legislation focused on governance issues as well as matters of finance and administration. In addition, a significant amount of legislation was enacted which had an impact on academic and student issues.

*Impact of Increased State Involvement*

As noted in the preceding narrative, institutions of higher education, including community colleges, were founded with local governing boards, and most of these institutions existed for a number of years with minimal involvement by the state. However, as the number of institutions increased, along with the number of students attending these institutions, they consumed a greater portion of the state’s financial
resources. Consequently, the state became more involved in the operational functions of higher educational institutions. As state legislators became more attentive to educational issues and state coordination became stronger, there was a heightened concern among educational leaders. The following narrative discusses the impact of increased state involvement in the context of a mounting tension between state policy makers and educational leaders.

Carnegie studies. The Carnegie Commission on Higher Education conducted three studies during the early 1970s that focused on the relationship between state authority and local governance of institutions of higher education. As stated in the opening pages of one of the Carnegie reports, “Governance in academic communities has become very complex. . . . Most of the commentaries about it are written from a point of view partisan to one group or another – whether public authority, or campus administration, or faculty or students. . . . The issues of governance are also very controversial. In the midst of this complexity and this controversy, we offer our best current judgment” (Carnegie Commission on Higher Education, 1973, p. viii).

Eulau and Quinley (1970) conducted a study for the Carnegie Commission on Higher Education in which legislators in nine states were surveyed to determine their views on higher education. The fact that the study was commissioned indicates a recognition of the legislative body as an important influence on issues relating to higher education. Emphasizing this importance, Eulau and Quinley note that state legislators are “strategic decision makers in politics affecting higher education” (p. 187). They state, “The resources mobilized for colleges and universities, the goals to which such resources
are allocated, and how they are distributed depend to a great extent on the view and
decision of the nation’s legislative bodies” (p. 187).

In 1971, the Carnegie Commission on Higher Education issued a report entitled
*The Capitol and the Campus* that examined the state’s responsibility for postsecondary
education. Expressing concern with “the growing dominance of governors over higher
education in several states” (Carnegie Commission on Higher Education, 1971, p. 2), the
Commission asserts that the influence of the governor may be found in his or her power
to approve or disapprove budget allocations and sign or veto legislation which has an
impact on higher education. In addition, the governor may appoint members of governing
boards and state coordination or planning agencies and, in some cases, may serve as
active chairman or as a voting ex-officio member of such boards. The Commission
maintains that perhaps even more important than the legal power is the governor’s ability
to “influence the political climate concerning higher education in the state” (Carnegie

The Commission also expresses concern with the development of powerful
regulatory councils over higher education. The Commission points out that state
coordination ranges along an “entire continuum of voluntary coordination among
sovereign units to subordination of all units to a single governing board” (Carnegie
Commission on Higher Education, 1971, p. 24). While expressing concern, the report
acknowledges the need for state coordinating agencies to be involved in the functions of
long-range planning, communication within higher education, and consultation between
higher education and other interested agencies. Examining the need for state
coordination, the Commission points to the extensive growth in the number of institutions and in higher education enrollment throughout the 1960s. As stated in preceding narrative, the result was an increase in demand for state funds as well as an increase in federal aid with the need for state agencies to distribute the federal funds to the individual institutions.

According to the Commission, the “growth in size and complexity inevitably led to some undesirable competition and duplication” (Carnegie Commission on Higher Education, 1971, p. 24). While the Commission recognizes the need for state coordinating agencies to help resolve the issues of competition, duplication of programs, and efficient use of state and federal funds, it recommends that the authority of such agencies should be limited to planning and coordination and not extended to administration over individual institutions. The Commission warns that, increasingly, the autonomy of individual institutions is infringed upon by governmental interference. Furthermore, the Commission contends that institutional independence should be preserved in order to promote efficient operation through intelligent planning and management at the local level, to enhance creative research and effective teaching, and to assure the freedom to examine and respond to a wide variety of social issues (Carnegie Commission on Higher Education, 1971).

Concern with institutional autonomy is expressed by another Carnegie Commission study. In a 1973 report entitled Governance of Higher Education: Six Priority Problems, one of the six issues addressed is “adequate provision of institutional independence” (Carnegie Commission on Higher Education, 1973, p. vii). This report
expresses concern over the increased authority exercised by external agencies and the resulting decline in local autonomy.

Examining the governance of higher education from a world-wide perspective, the Commission points out that a distinguishing feature of American higher education is the diversity in forms of governance among and between institutions (Carnegie Commission on Higher Education, 1973). Given this broad diversity, some common characteristics permeate the governance of these institutions. According to the Commission, these common characteristics include a lack of centralized national control with authority at the state and local levels, the utilization of a lay board of trustees by both private and public institutions to provide overall governance of the institution, and the lay board’s delegation of executive authority to the president of the institution.

The Commission points to minimal influence of partisan politics and substantial administrative and academic independence for individual campuses as contributing factors to the success of higher education in the United States. Yet, the Commission acknowledges that “great and inconsistent pressures in recent years, however, have been placed on this historically effective overall structure” (Carnegie Commission on Higher Education, 1973, p. 8). Identifying causes of this pressure, the Commission makes a few observations. For several decades preceding the 1970s, higher education had become much more accessible resulting in students with a wider range of interests and academic abilities. The increased size and complexity of institutions created a more complex management process with decision making more removed from the level of operation. By the 1970s, enrollment growth began to subside which brought about stricter financial
constraints and thus, controversy over the use of funds. Furthermore, public interest in higher education became more widespread and more intense resulting in more aggressive public authority over higher education.

While these pressures would inevitably bring about change in the system of governance of higher education, the Commission suggests that certain features should be preserved and even enhanced. Among these is “a reasonable level of independence from state and federal control” and “institutional separation from partisan political activity” (Carnegie Commission on Higher Education, 1973, p. 11).

The Commission notes that campus independence from external authority has declined significantly since World War II and particularly during the 1960s with “more coordinating councils and superboards at the state level, more gubernatorial and legislative investigation and intrusion into once internal affairs, [and] more federal regulations and supervision” (Carnegie Commission on Higher Education, 1973, p. 17). Acknowledging that total campus autonomy is not possible or even desirable, the Commission makes a distinction between external influence that recognizes freedom of action and external control which limits freedom of action. The Commission calls for state agencies to limit their involvement to policy that is broad-based and that does not interfere with local control. Likewise, the Commission stresses the importance of institutional independence in the areas of intellectual conduct, academic affairs, and administrative arrangements.

It is worth noting that the issues addressed in the Carnegie reports are not significantly different from those expressed by Kelly and McNeely (1933) forty years
earlier, as identified in the above section on “Early Establishment of Institutions of Higher Education.” Another Carnegie report, *The States and Higher Education: A Proud Past and a Vital Future*, identifies a parallel in higher education of the 1930s and the 1970s. Both periods were characterized by financial restraints and concern over a surplus of facilities and programs with respect to existing needs. Furthermore, both periods show signs of tension between state-level policy makers and educational leaders.

The Carnegie Foundation for the Advancement of Teaching, like the preceding Carnegie commissions, expresses concern with regard to increased centralization of authority. The Foundation stresses that a consequence of increased centralization is a reduction in the influence of students, faculty, campus administrators, and local governing boards, all of whom are more knowledgeable and more directly concerned with the institution than state officials or members of state governing bodies (Carnegie Foundation for the Advancement of Teaching, 1976). The Foundation also points out that the increased centralization failed to produce significant improvements in higher education.

Acknowledging the need for adequate restraint and coordination, the Foundation calls for advisory councils that provide advice to both state government and the individual institutions (Carnegie Foundation for the Advancement of Teaching, 1976). According to the Foundation, these advisory councils should be responsible for long-range planning to enhance the decision making process of the individual institutions.

The Carnegie Studies addressed the impact of state involvement in higher education, inclusive of the community college sector. Other scholars and educational
leaders have reported on state involvement specifically with respect to community colleges.

**Impact of increased state involvement - community college sector.** In a discussion of national, state, and local influence on the governance of two-year colleges, Richardson, Blocker, and Bender (1972) state,

More and more changes within two-year colleges are initiated at the state level. Legal foundations established by the state legislature define explicitly in most states both the purpose of the institution and its organizational structure. Broad parameters of daily operation are commonly set forth in legislative regulations.

State funding patterns also have a marked effect upon the institution (p. 19). They assert that state laws should be broad and address issues such as the purpose of the two-year college and its relationship to other sectors of higher education without infringing on the freedom of the colleges to plan and implement educational programs. They observe, however, that in many cases, legislative authority has gone beyond these boundaries with laws that affect the organizational structure and procedural functions of the college. Tillery and Wattenbarger (1985) point out that the increase in state control has been “incremental and consistent” (p. 8). Similarly, Fryer and Lovas (1991) state, “In most situations, state level bodies, including legislatures, exercise some degree of supervisory and regulatory authority over the local institutions, establishing a context within which local institutional governance operates” (p. 31).

As a result of increased state involvement through the establishment of state coordinating agencies and increased legislation, there are significant limitations on local
decision making (Tillery & Wattenbarger, 1985). Educational leaders and scholars report increased state control over such functions as funding and budgeting, institutional planning, and instructional areas such as program review, and program offerings (Cohen, Lombardi, & Brawer, 1975; Tillery and Wattenbarger, 1985). Tillery and Wattenbarger (1985) also report an increase in legislative actions relating to internal institutional operations with more centralized decision making and an increase in state power.

Addressing state involvement, Cohen and Brawer (1996) note that while statewide bargaining and budgeting are typical in most states, the centralization of college operations varies from state to state. Garrett (1992) conducted a national study in which the chief state community college officers were surveyed to ascertain the degree of centralization or decentralization of the community college system in their respective states. Identifying twenty-nine issues such as funding sources, accountability, and quality control, Garrett found that the centralization for funding and operation tends to be greater in states where community colleges function under a separate state board or under the university system. Furthermore, Garrett (1993) reports that the degree of centralization is directly proportional to the level of state funding.

Zoglin (1976) points out that authority to establish and operate community colleges was traditionally granted to local government, but states,

In recent years, however, the trend has been for the states and the federal government to exercise greater control over the community colleges. Leaders in the field deplore this, fearing that it will lead to the loss of those qualities they
prize most highly: the opportunity to experiment, to change, to be different from each other and from other educational institutions (p. 19).

Looking at the future of higher education in the United States, Kerr (1994) notes that power and influence have shifted substantially toward external factions including state coordinating councils, federal agencies, and the courts. He asserts that a primary need for colleges as they approach the 1990s is the “protection of the autonomy of the institution and the capacity for effective decision making by boards and presidents” (p. 37). Similarly, Lovell and Trouth (2002) indicate that changes in governance have shifted community colleges from local-level institutions toward state-level institutions.

One factor revealed in the Carnegie reports as well as the observations of educational leaders and scholars in the community college sector is that increased state involvement placed limitations on local decision making and added to the perplexity in the delineation of responsibilities of the state versus those of the institution. The following section discusses the differentiation in these responsibilities.

*State and institutional responsibilities.* According to Tschechtelin (1994), there are four college-state issues: finance, policy development, instructional programs, and planning. Furthermore, while there are varying opinions of opposition or support, the previously discussed literature reflects a general agreement that states have become involved in the functions of long-range planning, budgeting, quality control, broad-based policy development, and coordination among institutions and between institutions and other agencies (Carnegie Commission on Higher Education, 1971, 1973; Carnegie Foundation for the Advancement of Teaching, 1976; Cohen, 2001; Cohen & Brawer,
The factor that tends to garner the highest degree of consensus is that the level of state control is directly proportional to the level of state funding (Garrett, 1993; Mundt, 1978; Tschechtelin, 1994; Tillery & Wattenbarger, 1985; Zusman, 2005).

According to a survey of legislators in nine states, most legislators indicated that their decision making should be limited to appropriations and general policy guidelines (Eulau & Quinley, 1970). Similarly, Richardson, Blocker, and Bender (1972) assert, “State laws should ideally define the nature and intent of the two-year college and its relationship to other segments of higher education, and then give the colleges the freedom to plan and implement their educational programs” (p. 19). In its 1971 report entitled *The Capitol and the Campus*, the Carnegie Commission on Higher Education provides a closer examination of the distribution of responsibilities between the state and the college. The Commission reiterates and expands upon this distribution of responsibilities in the 1973 report entitled *Governance of Higher Education: Six Priority Problems*.

The Commission reports that, while campus autonomy garners much attention, full autonomy is neither possible nor even generally desirable as colleges depend more heavily on public financial support. However, the Commission stresses the importance of institutional independence in three areas: intellectual conduct, academic affairs, and administrative arrangements (Carnegie Commission on Higher Education, 1973). In its report, the Commission states that autonomy should be preserved in:
(1) the intellectual, through the protection of academic freedom of expression and of free choice and conduct of research projects by faculty members and students; (2) the academic, through the acceptance of decision making by academic authorities in specified academic areas such as conduct of courses; and (3) the administrative, through allowing substantial leeway in handling financial and personnel matters in detail (p. 17).

The Commission delineates the distribution of authority between the state and the institution in the areas of governance, financial and business affairs, and academic and intellectual affairs. With respect to governance, the state should be responsible for ensuring the effective operation of the institutions within the general law (Carnegie Commission on Higher Education, 1971, 1973). In addition, public authority is responsible for insuring political neutrality of institutions (Carnegie Commission on Higher Education, 1973). As such, public authority should appoint or oversee the selection of trustees for the institution and should have access to reports of accountability on matters of public interest. In turn, the institution has the right to independent and nonpartisan trustees (Carnegie Commission on Higher Education, 1973).

Discussing financial and business affairs, the Commission states that public authority is responsible for the appropriation of public funds based on general funding formulas; the establishment of general standards for accounting practices; and a post audit of expenditures, purchases, and personnel actions to ensure the effective use of resources (Carnegie Commission on Higher Education, 1971, 1973). The institution should maintain responsibility for budget management and specific allocation of
resources with the freedom to make budgetary decisions regarding expenditures, purchases, and personnel actions subject only to a post audit. While the state may define general salary levels, the institution should establish individual workloads, define responsibilities of faculty and staff, and determine specific salaries. Furthermore, public authority is responsible for appropriation of funds for plant facilities based on general formulas, but the institution should have control over the design of buildings and space allocation (Carnegie Commission on Higher Education, 1971, 1973).

In relation to academic and intellectual affairs, the Commission contends that the state should set general policies on student admission including total enrollment numbers, equality of access, and general eligibility requirements, and the institution should be responsible for individual student selection (Carnegie Commission on Higher Education, 1971, 1973). With respect to employment, public authority is responsible for establishment of policies that ensure equal employment opportunities for women and minority groups, while the institution is responsible for actual selection and promotion of faculty, establishment of academic policies for the faculty, and selection of academic and administrative leadership (Carnegie Commission on Higher Education, 1973). In addition, the institution should maintain responsibility for the establishment of policies that ensure academic freedom (Carnegie Commission on Higher Education, 1971, 1973).

Addressing academic programs, the Commission states that public authority may set policy to differentiate the functions among systems of higher education and specialization in major fields among institutions. However, individual institutions should have the authority to establish specific academic programs, approve individual courses
and course content, establish grading policies, and determine the issuance of individual
degrees. Furthermore, while public authority may govern the establishment of new
campuses and the size and rate of growth for campuses, the institution should determine
the academic programs for new campuses and establish policies relating to the size and
rate of growth of academic departments within budgetary limits (Carnegie Commission

To summarize the Commission’s stance regarding the distribution of
responsibility, the authority of the state should be limited to broad-based involvement
with specific management functions left to the local institution. With respect to
governance, public authority should have oversight of the selection of trustees, but the
administrative functions should be left to the institution.

In the area of financial and business affairs, the state is responsible for (a)
appropriation of public funds including financial support for plant facilities, (b)
establishment of general accounting practices including a post audit, and (c)
establishment of general salary levels. The institution should maintain responsibility for
(a) budget management and allocation of resources for specific purposes, (b)
determination of specific salaries and establishment of individual workloads and work
responsibilities, and (c) design of buildings and space allocation.

For academic and intellectual affairs, the state should establish (a) general
policies for student admission including total enrollment numbers, equality of access, and
general eligibility requirements and (b) policies to ensure equal employment
opportunities for women and minority groups. The institution is responsible for (a)
individual student selection, (b) selection and promotion of faculty, (c) establishment of academic policies for faculty including policies that ensure academic freedom, and (d) selection of academic and administrative leadership.

With regard to academic programs the state should (a) define the general function of the institutions including specialization in major fields and (b) govern the establishment of new campuses and the size and rate of growth for campuses. The institution should maintain responsibility for (a) establishment of specific academic programs including individual courses and course content, (b) establishment of policies relating to the size and rate of growth of academic departments within budgetary limits, and (c) establishment of grading policies and issuance of individual degrees.

While the Commission recognizes the need for institutional independence, it also acknowledges that the state must ensure a level of public accountability. In order to maintain an appropriate balance of responsibility, the Commission recommends the establishment of guidelines that define “areas of state concern and areas of institutional independence that avoid detailed control” (Carnegie Commission on Higher Education, 1973, p. 29).

In more recent discussions of institutional autonomy, Berdahl (1999) and Berdahl, Altbach, and Gumport (2005) reference a previously defined list of institutional responsibilities. In 1966, Ashby (as cited in Berdahl, Altbach, & Gumport, 2005) asserts, The real safeguard for autonomy lies in ensuring that the ‘essential ingredients’ of autonomy ‘are widely understood among the public, politicians, and civil servants’: The freedom of universities to select staff and students and to
determine the conditions under which they remain in the university. The freedom of universities to determine curriculum content and degree standards. The freedom of universities to allocate funds (within the amounts available) across different categories of expenditures (p. 6).

It should be noted that this definition of institutional autonomy is consistent with the Carnegie studies’ delineation of state and institutional responsibilities. Maintaining this consistency, Wellman (2006) proposes,

In the state model, the state’s primary interest is the efficient allocation of resources in support of broad public purposes. . . . The state is concerned with institutional quality and competitiveness in the broadest sense, access to state markets through institutional licensure in the private sector and mission differentiation and program review in public institutions. . . . State oversight should avoid intrusion into academic policy, particularly curriculum, terms of faculty appointment, admissions criteria, or degree requirements (p. 54).

Clearly, the increase in legislation has had an impact on local campus governance and the responsibilities of the state versus those of the local institution. In addition, it has shaped the relationship between legislative policy makers and educational leaders.

*Relationship Between Legislative Policy Makers and Educational Leaders*

Moos and Rourke (1959) address the relationship between state authority and local institutions, “For the greater part of the century, the relations between public institutions of higher education and state government have been marked by increasing anxiety” (p. 1). Tschechtelin (1994) discusses the inevitable apprehension between
community colleges and state government. Emphasizing the community and local aspect of community colleges, he states, “Responsiveness to local needs is one of the hallmarks of community colleges. The idea, then, of marching also to a statewide drummer can seem contrary or at least confusing to a community college” (p. 102). This tension, he suggested, is compounded by the “increasingly active and directive” (p. 102) role of the state in all aspects of public higher education. According to Tschechtelin, the expectation that many colleges have of the state can be summarized as “get us lots of money and stay out of our affairs” (p. 109), while the expectation that the state has of the colleges is “set high standards and take a statewide view” (p. 113).

Glenny (1974) views the attention from state legislation as recognition of two-year colleges as a significant component of higher education. Stating that the period of massive expansion is over, Millard (1974) contends that the continued success of postsecondary education depends on the ability of the various sectors to work together with effective planning enhanced by a high level of trust and cooperation between state agencies and institutions. Wellman (1978) also calls for cooperation, with state officials providing coordination and leadership and local community college officials providing management and administration.

Others take a more apprehensive stance. Hollander (1978) states, “The issue for the decade ahead is no longer whether states will use their power to require increased accountability, initiate more detailed budget review, and seek influence over what colleges teach and to whom, but how they will use it” (p. 43). A number of educational leaders and scholars stress the need for educational leaders to enhance their ability to
communicate effectively with state legislators (Gleazer, 1980; Vaughan, 1983; Zoglin, 1979). Zoglin (1979) and Vaughan (1983) warn campus administrators that they must fight to maintain the right to make decisions at the local level. Stating that community college leaders must become involved in legislative activity, Angel (1980) asserts,

I would counsel all chief administrative officers to view legislative lobbying as not only desirable and necessary, but as a three-dimensional process: It involves knowledge of the legislative decision process, familiarity with the players, and quite naturally, a detailed knowledge of the issues (p. 34).

Similarly, Martorana (1983, 1986, 1989) points out that community colleges are in direct competition with other government supported services and asserts that community college leaders must become involved with legislators and impress upon them the value of the institution and its educational services. He emphasizes, “Leaders seeking to keep the community college concept sharp through continuing examination, research and, yes, constructive criticism as well as forceful advocacy should be engaged more closely with leaders operating in the political domain.” Sharing these sentiments with more directness, Vaughan (1981) advises,

An administrative philosophy for the future must acknowledge tides of encroachment that an individual campus cannot stem; the college must concentrate its energies on the things which can be dealt with. Encroachment should not be accepted by the higher education community without a fight; rather, the individual campus should not fight the battles locally that can only be won in broader arenas of state and national politics (p. 48).
More recently, there has been an increased recognition of the need for cooperation between the state and local governance. Dee (2006) characterizes the state-college relationship as a “tug of war between campus interests in institutional autonomy and state policy makers’ concerns about accountability” (p. 133). Recognizing this tension, Hearn and Holdsworth (2002) call for each state to “establish a point between the two extremes” of “complete autonomy” and “absolute accountability” (p. 10).

In order to improve college-state relations, Tschechtelin (1994) stresses the need for state officials to recognize the value of community colleges. He also asserts that the colleges must build strong relationships with state officials through direct and honest communication and the establishment of strong quality controls from within the institution. Similarly, Berdahl (1999) calls for a “constructive partnership in which, while force majeure obviously lies with the state, there should be sensitive mechanisms for bringing together state concerns with accountability and academic concerns with autonomy” (p. 63). Perhaps the situation is best summarized by Gilley (1991),

Without question, institutions will have to work harder to win the trust of the public and their elected leaders in the 1990s. They must communicate better; they must focus on the most important public issues; and at all costs, they must avoid the business-as-usual syndrome. On the other hand, governors must provide leadership; states must unfetter institutions, allowing them to become entrepreneurial; and multi-campus governing boards must focus on strategic issues rather than attempt to micromanage their institutions (p. 100).
Chapter Summary

This chapter has provided a review of the literature related to this study on the relationship between state authority and local governance. It began with an overview of governance in higher education. Particular attention was given to governance of community colleges and more specifically governance of community colleges in North Carolina. This was followed by a review of literature pertaining to the relationship between state authority and local governance of institutions of higher education, with a focus on the community college sector of higher education. The evolution of this relationship was examined from the period of early establishment of the educational institutions through the rise of state coordination and increased influence of state legislation. The section concluded with a review of the literature relating to the impact of increased state involvement and the relationship between legislative policy makers and educational leaders.
Chapter 3: Methodology

Introduction

The purpose of this study was to examine the relationship between state authority and local governance of community colleges in the context of a policy making environment. Throughout the history of higher education, there has been a great deal of discussion and debate regarding the level of authority and responsibility which should be assigned to the state versus that which should be assigned to individual institutions. Since the 1970s, there has been a significant increase in state legislation that has a direct impact on local campus practice (Angel, 1982; Berdahl, 1999; Cohen, 2001; Duderstadt, 2001; El-Khawas & Rossman, 1987; Martorana & Garland, 1985; Martorana & McGuire, 1976; Martorana & Smutz, 1980; Richardson & de los Santos, 2001; Wellman, 2006). This increased legislative action has been accompanied by a heightened concern among higher education scholars and leaders regarding the extent of state involvement (Cohen, 1975; Dunderstadt, 2001; Tollefson and Fountain, 1992; Vaughan, 1981; Wellman, 2006).

Legislative policy makers and educational leaders have different perspectives regarding their roles in governance of the local institution. The legislative goal is to ensure the efficient and effective use of state expenditures in higher education. At the same time, university and college leaders feel that they can best respond to the needs of their primary stakeholders and seek to preserve local autonomy. Given these two points of interest, there is an obvious need to understand and foster the college-state relationship.
Using a series of legislative acts that established accountability measures and performance standards for North Carolina community colleges as a case study of state-mandated policy, this study examined the relationship between state authority and local governance by considering the following questions:

1. What circumstances led the state to enact legislation that influenced the governance of local community colleges?
2. What interactions took place between legislative policy makers and community college leaders as higher education legislation was developed?
3. How did community college leaders perceive the impact of state legislation upon local campus governance?

The purpose of this chapter is to detail the methodology used for this study.

*Case Study Methodology*

This study used qualitative case study methodology. According to Merriam (2002), a case study is “an intensive description and analysis of a phenomenon or social unit” (p. 8). Furthermore, the case has a definitive boundary and is characterized by the unit of analysis which is the occurrence or event being studied (Merriam, 1998; Merriam, 2002). Based on this definition, the establishment of specific legislation in North Carolina served as a case study to examine the circumstances that led to the legislation, the interactions between legislative policy makers and educational leaders, and the impact of the legislation on local campus governance.

Stake (2000) reports that a single case study may be intrinsic or instrumental. For an intrinsic case study, the particular case is selected because it is of intrinsic interest to
the researcher while an instrumental case study is one in which the particular case is selected because it enhances the understanding of another issue or adds insight to a generalization. Relative to this distinction, this study was an instrumental case study of five specific legislative acts established by the North Carolina General Assembly.

Merriam (1998) characterizes case studies as being particularistic, descriptive, and heuristic. This case study was particularistic because it focused on a particular phenomenon, a series of legislative acts. Furthermore, this study was descriptive in that the resulting report was a “rich, ‘thick’ description” (p. 29) of how the legislation came to fruition, the interaction of key players, and the impact of the legislation on local community college governance. Finally, the study may be described as heuristic because it was intended to enlighten the reader’s understanding through the discovery of new meaning, extension of experience, or confirmation of what is already known.

**Sampling**

According to Merriam (1998), case study research typically involves two levels of sampling. The first level is to select the case to be studied which is the unit of analysis; the second level involves the selection within the case of the individuals to be interviewed and the documents and activities to be studied. For this study the unit of analysis was a series of legislative acts surrounding the establishment of accountability measures and performance standards for North Carolina community colleges. The second level of sampling involved the selection of documents relevant to this particular legislation and the selection of individuals who could provide insight and information regarding the establishment and impact of the legislation.
Selection of Case

The focus of this study was the relationship between state authority and local governance of community colleges. Purposeful sampling was used to select the legislation to be studied. According to Patton (as cited in Merriam, 1998), purposeful sampling hinges upon the selection of “information-rich cases” (p. 61) for in depth study, cases from which one can “learn a great deal about issues of central importance” (p.61).

In order to identify an information rich case regarding state authority and local governance, a meeting was arranged with the Associate Vice President of Planning, Accountability, Research, and Evaluation of the North Carolina Community College System (NCCCS) to discuss suggestions for legislative acts that would meet the following criteria:

1. The legislation had an impact on statewide policy for all community colleges.
2. The legislation had a potential impact on local campus governance.
3. The legislation and any resulting policy had been established long enough to examine its impact.

Initially, the 1999 legislation that called for the establishment of accountability measures and performance standards for North Carolina community colleges was selected for consideration because it met all of the above criteria. Furthermore, the resulting policy had potential impact on a number of different areas of governance. Of the identified legislative acts examined, this legislation appeared to have the broadest and most significant bearing on individual community colleges.
Based on further discussion with the NCCCS Associate Vice President of Planning, Accountability, Research, and Evaluation, it was determined that the accountability measures and performance standards had been developed with input from a statewide task force and had been discussed at a number of meetings of the North Carolina Association of Community College Presidents. Consequently, there existed a significant number of key players who had been involved in developing a proposed policy. As a long-term employee of a North Carolina community college, the researcher recalled that this policy had garnered the attention of community college leaders across the state and had been a topic of discussion at various statewide meetings.

Finally, a search of enacted legislation revealed three previous acts relating to the 1999 legislation and one follow-up act. Thus, the accountability measures and performance standards had evolved over a ten-year period through the enactment of related successive legislative acts. This series of legislation provided an opportunity to examine an ongoing process of legislative enactment, responses to the legislation, and enactment of additional legislation. As a result of a careful review of legislation, the series of legislative acts that culminated in the establishment of accountability measures and performance standards for North Carolina community colleges was selected for the case study.

Identification of Written Documentation and Selection of Interview Participants

The second level of sampling involved the identification of written documents relevant to the establishment of the accountability measures and performance standards legislation. This level of sampling also included the selection of individuals who were
involved in the development of the legislation and state and local institutional leaders who had to implement the resulting policy on community college campuses.


The 1989 legislation directed the North Carolina State Board of Community Colleges to define statewide measures of accountability for all of the state’s community colleges. Additional requirements were established by 1993 legislation which called for the identification of measures that would be appropriate for assessing individual college performance and the establishment of corresponding institutional performance standards. In 1998, the General Assembly called for the establishment of a new system of accountability measures and performance standards. The result was the enactment of 1999 legislation that mandated the State Board to implement twelve accountability measures and performance standards for assessment of individual college performance. This act also called for performance based budgeting in accordance with institutional performance on the identified measures. Follow-up legislation was enacted in 2000 that
made minor modifications in the requirements for the accountability measures and performance standards.

Once the general statute and five legislative acts were reviewed, snowball sampling was used to identify interview participants and additional written documentation to be reviewed. Merriam (1998) defines snowball sampling as a form of purposeful sampling that asks each participant or group of participants to identify other participants and resources that could provide meaningful information. This process began with the selection of key informants who had “special knowledge or perceptions that would not otherwise be available to the researcher” (Gall, Borg, and Gall, 1996, p. 306).

The first individual identified as a key informant was the North Carolina Community College System Office Associate Vice President of Planning, Accountability, Research, and Evaluation; this participant was employed at the time the initial accountability measures legislation was enacted and has been the staff person directly responsible for collecting and reporting the data for the accountability measures and performance standards. Two other participants were identified based on their position with the System Office: the President and the Vice President of Academic and Student Services.

The Associate Vice President of Planning, Accountability, Research, and Evaluation referenced a task force that had been appointed to develop the accountability measures and performance standards. The Performance Measures and Standards Task Force was a thirteen member committee chaired by a community college president. From the members of this committee a key group was selected consisting of the task force
chair, an additional community college president, a community college vice president, and a System Office vice president. These individuals were selected based on their representative job positions and the recommendation of the System Office Associate Vice President of Planning, Accountability, Research, and Evaluation.

In accordance with recommendations of interview participants, two additional community college presidents and a former North Carolina Community College System Office Associate Vice President of Planning and Research were identified as individuals who could provide insightful information. Up until this point, participants had been selected based on their involvement in the development of the accountability measures and performance standards. However, the community college presidents and vice presidents also provided critical responses regarding the impact on local governance and the perceived balance of authority between state and local governance. Therefore, three additional presidents were identified to ensure representation from small, mid-size, and large colleges as well as representation from colleges that had performed at various levels as measured by the performance standards.

To select these three presidents, each college was identified as small, mid-size, or large based on 2005-06 full-time equivalent student enrollment. In addition, a performance score was calculated for each college based on the average number of performance measures met from the 2000-01 academic year through the 2004-05 academic year; for this calculation only the six performance measures identified for performance budgeting were used. Within each size category, colleges were identified based on varying performance scores, and giving consideration to those colleges that
were already represented in the interview pool, additional colleges were selected to provide purposeful broad representation. The final three college presidents were selected with input from the North Carolina Community College System Office Associate Vice President of Planning, Accountability, Research, and Evaluation to ensure that the final selection did not include colleges with extenuating circumstances.

One other interview participant was identified based on involvement in the actual enactment of the legislation. Nearly all of the interview respondents identified the Community College Fiscal Research Analyst for the North Carolina General Assembly as the key legislative player in the development of the accountability measures and performance standards policy. Thus, this individual was identified as a key informant.

All of the identified individuals agreed to be interviewed, and sampling continued until referrals repeatedly duplicated individuals who had been previously identified. Thus, the point of redundancy or saturation as defined by Merriam (1998) had been reached.

As interviews were conducted, each respondent was asked to recommend not only additional interview participants, but also written documentation that might be meaningful to this case study. Based on their responses, several additional written documents were identified for review. This document review was conducted simultaneous to the interview process. Identified documentation included minutes from meetings of the Performance Measures and Standards Task Force and two other task forces that were identified as the research unfolded: the Accountability Task Force and the Performance Funding Implementation Task Force. Each of these task forces was
appointed by the President of the North Carolina Community College System and was involved at various stages in development of the accountability measures and performance standards.

Data Collection

As previously stated, the purpose of this study was to examine the relationship between state authority and local governance. Interviews and document analysis were the primary strategies for collecting the data. Document analysis was the “non-interactive” form of data collection, and key informant interviews were the “interactive” form of data collection (LeCompte & Preissle, 1993). Prior to collecting the data, the proposed research was reviewed by the Institutional Review Board (IRB) of North Carolina State University who determined that this research was exempt from policy as outlined in the Code of Federal Regulations (exemption:46.101.b.2.)

Document Analysis

The first step was to examine legislation and related historical documents to understand and inform this case study. According to Merriam (1998), document analysis can be useful in providing descriptive information, enhancing historical understanding, and tracking change and development. Furthermore, documentary material is a stable source of data that can “ground an investigation in the context of the problem” (Merriam, 1998, p. 126). The purpose of the document analysis was to identify what the accountability measures and performance standards legislation stated and how the policy came to fruition through legislative acts.

Legislative summaries were reviewed to gain additional information about the five legislative acts and to identify any additional related legislation. The Legislative Library houses two different legislative summaries: a summary of legislation of interest to North Carolina public officials conducted by the Institute of Government of the University of North Carolina at Chapel Hill and summaries of substantive ratified legislation conducted by the Research Division of the North Carolina General Assembly.
The Institute of Government summaries were reviewed for the years 1983 through 2003, and the Research Division summaries were reviewed for the years 1989 through 2000 which was the last year on file. Based on this review, one additional legislative act was identified. North Carolina Session Law 1985-479 called for the State Board of Community Colleges to have an “outside independent study” conducted to determine, among other things, “whether the system’s governance, administration, and programs are effective in fulfilling the system’s mission” (North Carolina Session Law, 1985, section 66). This legislation was a precursor to a call for increased accountability for the state’s community colleges.

In addition to the legislative acts, a history of each bill was reviewed to identify dates of House and Senate subcommittee action relating to the respective legislation. Based on this review, copies of minutes of relevant subcommittee meetings were obtained from the Legislative Office Building. These minutes recorded very little information with regard to discussion or debate about the legislation.

Document analysis also included a review of minutes from meetings of the Accountability Task Force, the Performance Measures and Standards Task Force, and the Performance Funding Implementation Task Force. The Accountability Task Force was one of fourteen task forces appointed by the President of the North Carolina Community College System in 1993 to respond to recommendations made by the North Carolina Government Performance Audit Committee. This task force was established to review existing accountability measures and to begin the process for setting performance standards. Following the 1998 legislation calling for a revised accountability model, the
System President appointed two additional task forces. The Performance Measures and Standards Task Force was charged to study and recommend accountability measures and standards, and the Performance Funding Implementation Task Force was appointed to develop an action plan for implementing the performance funding model. Minutes from meetings of these task forces were reviewed to gain insight into the discussion and debate surrounding the development of the accountability measures and performance standards.

**Interviews**

According to Merriam (1998), interviews are conducted when behavior cannot be observed and to gather information about past events that cannot be replicated. Both of these criteria were relevant to this study. A primary purpose of the interviews was to examine the interactions, tension, and debate surrounding the enactment of the legislation.

*Development of interview protocol.* The interview protocol was designed to be semi-structured which is defined by Merriam (1998) as interviews that are guided by a list of questions or topics of primary interest, but with flexibility in the wording and order of the questions thereby allowing the researcher to probe various ideas. The opening interview questions were designed to gain insight regarding (a) the impetus for the passage of the legislation and (b) how the accountability measures and performance standards were developed and the interactions that took place between legislative policy makers and educational leaders. Follow up questions were used to try to put the respondent back in the setting of meetings and discussions surrounding the development of the accountability measures and performance standards.
A delicate aspect of the interview was to determine how community college leaders perceive the impact of the legislation upon local campus governance. Given the literature depicting the concern of educational leaders regarding state intrusion in campus practice, a straightforward question about impact may have evoked obvious responses. To avoid this situation, questions were developed based on a definition of state and institutional responsibility.

While there has been a great deal of discussion and debate in the educational arena, there is no clear delineation of authority and responsibility which should be assigned to the state versus that which should be assigned to individual institutions. The literature did, however, provide some generalizations regarding state authority and local governance. A broad review of the literature suggested that the state is involved to some extent in appropriation of funds for public institutions, defining institutional purpose, long-range planning, quality control, and establishment of broad-based policy (Carnegie Commission on Higher Education, 1971, 1973; Carnegie Foundation for the Advancement of Teaching, 1976; Cohen, 2001; Cohen & Brawer, 1996; Cohen, Lombardi, & Brawer, 1975; Richardson, Blocker, & Bender, 1972; Tillery & Wattenbarger, 1985; Tollefson & Fountain, 1992; Wellman, 1978; Wellman, 2006). Furthermore, the literature proposed that individual institutions should maintain responsibility for administrative processes and the implementation of educational programs inclusive of policies relating to intellectual conduct and other academic issues (Carnegie Commission on Higher Education, 1973; Wellman, 2006).
The Carnegie Commission on Higher Education issued two reports that suggest a more specific delineation of state and local authority. In 1971, the Commission released *The Capitol and the Campus* followed in 1973 by *Governance of Higher Education: Six Priority Problems*. According to the Commission, the state should be responsible for broad-based decisions such as (a) appropriation of public funds and establishment of general accounting practices, (b) establishment of general admissions requirements and policies that ensure equality of access, (c) establishment of policies that ensure equal employment opportunities for women and minority groups, and (d) establishment of new campuses and definition of general functions of the various institutions. The Commission proposes that the institution should maintain responsibility for (a) budget management and allocation of resources for specific purposes; (b) individual student selection; (c) selection and promotion of faculty, establishment of academic policies including those policies that ensure academic freedom, and selection of academic and administrative leadership; and (d) establishment of specific academic programs (*Governance of Higher Education: Six Priority Problems*, 1973; *The Capitol and the Campus*, 1971).

For the purpose of this study, the responsibility of the institution was defined according to the functions identified by the Carnegie Commission as cited in the preceding narrative. Thus, institutional responsibility was defined as (a) budget management and allocation of resources for specific purposes; (b) individual student selection; (c) selection and promotion of faculty, establishment of academic policies including those policies that ensure academic freedom, and selection of academic and administrative leadership; and (d) establishment of specific academic programs.
While this definition of institutional responsibility was based upon reports that were issued in the 1970s, the literature suggests that the findings of the Carnegie study are appropriate for a current study. Newman (1987) addressed the relationship between the state and the university. Although Newman’s study related specifically to the university, he points out that state intrusion is even greater at the community college level. Discussing appropriate public policy versus inappropriate intrusion, Newman stated,

At its best, the relationship between the state and the state university is an appropriate effort by those elected and appointed to state office to set goals, allocate resources, hold accountable and encourage those who govern the state university. We have called this appropriate public policy. Inappropriate intrusion is characterized by attempts by those in state government (or the university) to interfere with the operation of the university either to serve ends that are questionable in themselves or to serve ends that may or may not be appropriate through means that are questionable (p. 2).

Twenty years after the Carnegie reports, Tschechtelin (1994) identified four areas of college-state relations that continue to reflect the Carnegie findings: finance, policy development, instructional programs, and planning. Continuing this consistency, Wellman (2006) proposes that the state should be concerned with “institutional quality and competitiveness in the broadest sense, access to state markets through institutional licensure in the private sector and mission differentiation and program review in public
Institutions” and should “avoid intrusion into academic policy, particularly curriculum, terms of faculty appointment, admissions criteria, or degree requirements” (p. 54).

In order to validate the definition of institutional responsibility for a current study, the researcher consulted with three authorities on community college governance and leadership. James C. Palmer is a professor in the Department of Educational Administration and Foundations at Illinois State University where he has lead responsibility for *Grapevine*, an annual survey of state tax appropriations to higher education. He also serves as editor of the *Community College Review*. Terrance A. Tollefson is a professor in the Department of Educational Leadership and Policy Analysis at East Tennessee State University. George B. Vaughan is a professor emeritus in the Adult and Community College Education department at North Carolina State University and former editor of *Community College Review*. In addition, he served as president of two community colleges for a total of seventeen years. Each of these individuals have conducted research and published extensively in the field of community college governance. Feedback from these individuals was used to make minor revisions in the original definition, and these authorities concurred that the functions identified in the final definition of institutional responsibility were well-grounded and relevant in the current educational arena.

This definition was the foundation for development of interview questions to examine how community college leaders perceive the impact of the accountability measures and performance standards legislation upon local campus governance. Interview participants were questioned regarding the impact of the legislation upon the
following functions: (a) budget management and allocation of resources for specific purposes; (b) individual student selection; (c) selection and promotion of faculty, establishment of academic policies including those policies that ensure academic freedom, and selection of academic and administrative leadership; and (d) establishment of specific academic programs. A final question inquired more generally about the impact of the legislation on local autonomy, but there was no direct inquiry about encroachment. The interview protocol has been included in Appendix A.

**Conducting the interviews.** Interview participants for this study were selected using snowball sampling (Merriam, 1998). Beginning with the Associate Vice President of Planning, Accountability, Research, and Evaluation for the North Carolina Community College System Office, each individual interviewed was asked to identify other potential participants. A total of fourteen individuals were interviewed as key informants.

Each interview participant was contacted by phone to provide a brief explanation of the research and to request an interview that would last approximately one hour. Interviews were scheduled for a time that was convenient for both the participant and the researcher. For each interview, a more detailed description of the research was emailed approximately one week prior to the scheduled interview along with a list of the interview questions.

Six of the interviews were conducted in person in the participant’s office. One interview was held in a conference room, one interview was conducted at a coffee shop, and six interviews were conducted by telephone. Each interview lasted approximately
one hour with the briefest interview lasting approximately twenty-five minutes and the longest lasting approximately two hours. Each participant was asked for permission to tape record the interviews and all agreed.

Trustworthiness

In a qualitative study, trustworthiness refers to the believability or credibility of the study. According to Merriam (1998), research results are “trustworthy to the extent that there has been some accounting for their validity and reliability” (p. 198). Furthermore, the concerns for validity and reliability are addressed throughout the conduct of the study in the conceptualization and design of the study; in the manner in which the data are collected, analyzed, and interpreted; and in the presentation of the findings.

Internal Validity

Internal validity relates to how well the research findings represent the reality of the case (Merriam, 1998). Of the various strategies suggested to enhance internal validity, this study utilized triangulation and peer examination.

Triangulation typically refers to the practice of “using multiple data investigators, multiple sources of data, or multiple methods to confirm the emerging findings” (Merriam, 1998, p. 204). Within the context of this study, triangulation was established through the use of multiple sources and multiple methods to generate the findings. Interview participants were carefully selected to represent various perspectives. Furthermore, the selection of community college participants was based upon
representation of colleges with varying size and varying levels of performance on the accountability measures which were the focus of this study.

In addition to triangulation, peer examination was utilized throughout the study. A colleague, who holds a doctor of education degree in Adult and Community College Education with more than twenty years of experience as a community college educator and administrator, was consulted throughout the study. This outside observer read each of the interview transcripts, provided independent feedback with respect to emerging trends, critiqued the coding process, and reviewed drafts of the findings and conclusions for readability and plausibility. Within each of these processes, the feedback from the outside observer was compared and contrasted with the researcher’s interpretation and analysis of the data.

Reliability

In the traditional sense, reliability refers to the extent to which research results can be replicated (Lincoln & Guba, 1985; Merriam, 1998). However, this definition is inconsistent with the context of qualitative research. Rather, Merriam proposes that reliability be viewed in terms of “whether the results are consistent with the data collected” (p. 206). Triangulation, as described above, contributes to the reliability of this study. In addition, a research journal was maintained throughout the study to document how the results were derived. This journal provides a detailed record of how decisions were made throughout the study particularly with regard to the collection and analysis of data.
External Validity

External validity relates to the extent to which research findings can be transferred to other situations (Merriam, 1998). By Merriam’s definition, the goal of an instrumental case study is to enhance the understanding of another issue or add insight to a generalization. For this study, external validity is viewed in terms of the reader or user. Merriam suggests that reader or user generalization involves leaving it to the readers or users to determine the extent to which the research findings apply to their own situation. Thus, the responsibility of the researcher is to provide enough detailed description of the context of the study to enable the reader to determine the transferability to another situation. This was accomplished through providing rich, thick description of this case.

Ethics

In qualitative research, ethical issues are most likely to surface in the collection of data and the dissemination of findings (Merriam, 1998). According to Bogdan and Bilkin (1998), there are four ethical issues to be addressed: voluntary participation, participant understanding of expectations, confidentiality, and truth in reporting of findings.

For this study, voluntary participation was accounted for in that each participant was contacted by phone, given a brief description of the study, and asked if they would grant an interview. In addition, prior to the interview, each participant was asked for permission to tape record the interview. At the time of the interview, each participant was asked to sign a consent form (see Appendix B) which was kept on file to document the individual’s willingness to participate. To ensure participant understanding of
expectations, a detailed description of the research was emailed approximately one week prior to the scheduled interview along with a list of the interview questions. Prior to beginning the interview, participants were asked if they had questions regarding the research. In addition, throughout the interview process, the researcher was cognizant of any potential concerns or questions about the research and reporting procedures and responded accordingly.

Confidentiality was provided through the absence of participant names in reporting of data and presentation of the findings. It should also be noted that the use of gender pronouns was arbitrary and random with no connection to the actual interview participant. The consent form informed the participant of the intent to provide anonymity and protect confidentiality. In addition, measures were taken to insure the security of taped recordings and any other forms of data that would associate a participant with specific responses.

The one individual whose anonymity was difficult to protect was the Community College Fiscal Research Analyst for the North Carolina General Assembly. Since there were no other respondents with that title, the reader could potentially identify the individual who served in that role during the time frame of this study. This factor was discussed with the interview participant at the time of the interview, and he agreed with the parameters of his confidentiality.

As data were reported, there were three participants from whom the researcher felt that a particular response was more relevant if it was attributed to the role or position of the corresponding participant. Each of these participants was contacted and asked for
permission to attribute a specific quote to his or her title or position. In each case, the participant agreed, and a revised consent form was obtained.

The final issue, truth in reporting the findings, was addressed in that the researcher had no hidden agenda for conducting this study. With one exception, the researcher had no strong ties to any of the participants or, in the case of community college leaders, the colleges they represented. The one exception was that one of the presidents interviewed had served at the college where the researcher was employed. Both the participant and the researcher were long-term employees of the college; however, the president had been retired seven years at the time of the interview and had maintained no ties to the college. The goal for the researcher throughout the interviews was to garner as much insight as possible from the participants regarding their perceptions of the circumstances that led to the establishment of the accountability measures and performance standards, the interactions between the various key players, and the impact of the policy on local campus governance.

The researcher was conscious of ethical issues throughout the conceptualization and design phase and tried to anticipate issues and dilemmas that may arise. As reported by Merriam (1998), “The best a researcher can do is to be conscious of the ethical issues that pervade the research process and to examine his or her own philosophical orientation vis-à-vis these issues” (p. 219).

*Researcher Role and Bias*

In qualitative research, the researcher is “the primary instrument for data collection” (Merriam, 1998, p. 216). As the researcher, I am keenly aware that I am that
instrument through which the data gathered have been filtered and shaped into this 
presentation about the relationship between state and local authority; it was left to this 
researcher to decide what “should or should not be attended to” (Merriam, 1998, p. 216) 
in collecting and analyzing the data. I have tried to present the written documentation and 
the ideas and perspectives of the interview participants as transparently as if they were 
being read or heard directly by the reader. Yet, I recognize that my interpretations are 
naturally cast through my own experiences and biases regarding state authority and its 
impact on local governance.

Although, I had no hidden agenda or point to prove in conducting this research, as 
a long-term employee of a community college and having served part of that time as a 
senior administrator, I came to this process with some degree of bias towards the 
importance of local autonomy. However, from the outset I made every attempt to review 
data objectively, to select interview participants that would represent a variety of 
perspectives, and to avoid asking leading questions; there was a conscious and arduous 
effort to refrain from practice that would simply reinforce any predetermined belief on 
my part. As a result, the nature of this study is not encroachment, but rather an open and 
honest examination of the relationship between legislative policy makers and community 
college leaders.

Data Analysis

Data analysis is the process of bringing order to the collected data, developing an 
inmate understanding of the responses of the interview participants, and expressing that 
meaning to the reader through a written report (Marshall & Rossman, 1999). For this
study, data analysis was simultaneous with data collection. Marshall and Rossman identify six phases of typical analysis procedures: (a) organization of data, (b) generation of categories, (c) coding of data, (d) testing of emergent understandings, (e) searching for alternative explanations, and (f) writing the report.

The results of each interview were analyzed for comparison and contrast of responses. After each interview was transcribed, it was divided into meaningful segments by inserting a delimiting character and copied into a Microsoft Excel spreadsheet developed by the researcher. The Excel spreadsheet was designed to separate the transcribed text into individual segments. Each segment was coded according to the interview participant, question, paragraph, and statement number to ensure that the segments could be sorted into the original order to maintain the initial context of the interview.

Each segment was then coded using emergent themes which were developed based on preliminary interpretations. Using the Excel spreadsheet, the segments were then duplicated and sorted according to the emergent theme code. As the analysis process continued, additional and sub-dividing emergent themes were identified and used for more detailed coding. The original data were then reviewed again to ensure that the identified themes accurately and thoroughly represented the data. After all data had been coded and analyzed, alternative plausible interpretations of the data were considered. Concurrently, a reflective and recursive writing process began to summarize the data and report the findings.
Chapter Summary

This chapter has provided a detailed description of the methodology used for this study. Following a discussion of case study methodology, there was a thorough account of the sampling techniques and data collection process. The chapter concluded with a discussion of trustworthiness and researcher role and bias.
Chapter 4: Historical Narrative of the Case Study

Introduction

This study was designed to examine the relationship between state authority and local governance of community colleges. Throughout the history of higher education, there has been a great deal of discussion and debate regarding the level of authority and responsibility which should be assigned to the state versus that which should be assigned to individual institutions. Since the 1970s, there has been a significant increase in state legislation that has a direct impact on local campus practice (Angel, 1982; Berdahl, 1999; Cohen, 2001; Duderstadt, 2001; El-Khawas & Rossman, 1987; Martorana & Garland, 1985; Martorana & McGuire, 1976; Martorana & Smutz, 1980; Richardson & de los Santos, 2001; Wellman, 2006). This increased legislative action has been accompanied by a heightened concern among higher education scholars and leaders regarding the extent of state involvement (Cohen, 1975; Dunderstadt, 2001; Tollefson and Fountain, 1992; Vaughan, 1981; Wellman, 2006).

Legislative policy makers and educational leaders have different perspectives regarding their roles in policy making and governance of the local institution. The state has a responsibility to provide coordination of institutional services, promote equality in access, and ensure institutional accountability (Berdahl, 1999; Richardson & de los Santos, 2001; Wellman, 2006; Zusman, 2005). However, there are many noted scholars who suggest that local autonomy is diminishing in the current policy making environment and proclaim that the state has become too intrusive in local decision making (Cohen, 1975; Dunderstadt, 2001; Richardson & de los Santos, 2001; Tollefson
& Fountain, 1992; Wellman, 2006; Vaughan, 1981). As a result of these different perspectives, the relationship between these two entities has at times been discordant and contentious. Furthermore, this relationship is not static; rather it is in constant flux and continuously evolving.

The purpose of this study was to examine the relationship between state authority and local governance of community colleges in the context of a policy making environment. Drawing upon a case study of state mandated policy that established accountability measures and performance standards for North Carolina community colleges, this study examined the relationship between state authority and local governance in terms of (a) what circumstances led the state to enact legislation that mandated the performance evaluation of community colleges; (b) once the mandate was issued, what interaction took place between legislative policy makers and educational leaders to develop the accountability measures and performance standards; and (c) how did community college leaders perceive the impact of the legislation upon local campus governance.

This chapter presents the findings of this study. Throughout the following narrative, the term “System Office” refers to the North Carolina Community College System Office which is the state office that provides oversight of and support to the individual colleges. It should be noted that prior to 1999, this entity was known as the Department of Community Colleges; however, the term “System Office” is used consistently throughout the narrative. The acronym NCCCS refers to the North Carolina Community College System which includes the System Office and the 58 North Carolina
public community colleges. In addition, it should be noted that a number of references are made to the individual who served as the Community College Fiscal Research Analyst for the North Carolina General Assembly. In addition to this individual, there is a University Fiscal Research Analyst and a Public Schools Fiscal Research Analyst who also serve the General Assembly. However, throughout the following narrative, the term Fiscal Research Analyst refers to the Community College Fiscal Research Analyst.

Circumstances that Focused Legislative Attention on Accountability

Based on examination of historical documents and interview responses from legislative staff, North Carolina Community College System Office personnel, and community college leaders throughout the state, three issues emerged as compelling forces in the legislators’ enactment of state mandated accountability measures and performance standards. These issues included (a) increased focus on fiscal responsibility as a result of greater competition for state funds; (b) community, state, and national concern regarding the general quality of higher education; and (c) increased emphasis by the Southern Association of Colleges and Schools (SACS) and other agencies and commissions upon outcomes assessment.

Increased Focus on Fiscal Responsibility

Throughout the nation, the 1960s and 1970s were a period of abundance for higher education. The number of people pursuing higher education was increasing dramatically; post-secondary education was no longer a privilege limited to the wealthy and well-to-do (Geiger, 2005; Ligenfelter, 2004). Consequently, there was a great deal of political support for higher education. Interview respondents reported strong financial
state support with minimal attention to the value or quality of educational services provided. As one System Office administrator explained,

Up until the eighties, [the] sixties and seventies were the golden era of higher education. There were lots of dollars made available. Money literally flooded into higher ed all across the country. In the eighties and into the nineties, that faucet dried up.

Nationwide, the 1960s and early 1970s were periods of tremendous expansion particularly for community colleges. From 1960 to 1969, the number of public two-year colleges increased by nearly 83% with an additional 24% increase during the 1970s. In addition, the number of students enrolled in this sector of higher education increased from approximately five hundred thousand in 1960 to more than two million in 1970 and four million by 1980 (Cohen & Brawer, 1996). This growth and expansion, combined with increased demands for improvement in prisons, health care, and other state services, eventually led to greater competition for financial support at the state level (El-Khawas & Rossman, 1987; Wellman, 2006; Zusman, 2005).

This national phenomenon was reflected in North Carolina. In 1957, the North Carolina General Assembly adopted the first Community College Act and provided the first funding for community colleges and industrial education centers (North Carolina Community College System, 2007). By 1961, there were seven industrial education centers that provided technical and vocational education and five public junior colleges that provided education in the arts and sciences. By 1963, the number of institutions had increased to twenty industrial education centers and six community colleges with an
additional five extension units at satellite locations. In 1963, the General Assembly enacted legislation that provided for the establishment of a Department of Community Colleges under the State Board of Education; both the industrial education centers and community colleges were brought under this newly created administrative organization. By 1966, there were 43 institutions with 28,250 full time equivalent (FTE) enrollments. In 1969, the number had grown to 54 institutions with 59,329 FTE which represents a three-year growth rate of 26% in the number of institutions and 110% in FTE enrollment. Continuing to grow, enrollment exceeded a 10% annual increase nearly every year until the late 1970s with a 33% growth rate in the 1974-75 fiscal year. Since the late 1970s, enrollment has continued to increase, but at a slower rate. The number of institutions has not increased since 1979 when the 58th community college was established.

As noted previously, this expansion and growth of higher education, inclusive of community colleges, created greater competition for state funding. As a result, state legislators began to take a more critical view of state services including higher education. They wanted to ensure that they were getting the best return for the investment of taxpayers’ dollars. As community colleges continued to stress the necessity for increased funding to meet their growing needs, legislators wanted a better understanding of how state funds were being utilized on the local campus. The Community College Fiscal Research Analyst for the North Carolina General Assembly shared her perspective, “The only focus for the community colleges in my mind and the way that I perceived it was that they just needed more money. That if they had more money they could do all these grand and glorious things.” The legislators wanted fiscal accountability, and from a
consumer advocacy perspective, they wanted to ensure that tax payers’ dollars were being used efficiently.

*Fiscal accountability.* With a tighter state budget, it was no longer enough for community leaders to simply say, “We need more money.” When a college received state funds, legislators needed to understand how local budget decisions were made regarding the allocation of those funds; how did community college leaders determine what programs got funded at what levels, and perhaps more importantly, what programs would not be funded. The Fiscal Research Analyst stated,

So in order to determine whether or not I would recommend to the legislature that they [the Community College System] get more money, I needed to know how they were spending the money that they already got from the General Assembly. . . . The Presidents Association, they were kind enough to invite me to all of their meetings and I tried to attend as many as I could. And then I put together a group of presidents who would meet with me on a regular basis to help me understand how the system operated. And they invited me to their campuses and they would let me interview students and faculty and staff and spend the day with them getting to know how they operated. And how they made their decisions about allocations. And when they had budget cuts that were mandated, how did they implement those things. And so I was trying to gather as much information as I could. But I could never get in my mind a satisfactory answer to “How did the Community College System as a whole make allocation decisions?” and “How did they spend their money?” . . . And what I found was . . . that everybody
had their own way of making decisions, that there was no global approach in
allocating money or how to determine programs or whether or not programs were
effective.

Legislators wanted to understand how local colleges utilized allocated state funds.

Community college presidents confirmed the concern expressed by the Fiscal
Research Analyst. When asked why the state legislators got involved in state mandated
accountability measures, a number of community college presidents acknowledged a
need for increased fiscal accountability. One president explained,

We were trying to get a big chunk of money and one of the things that was
discussed was, “If you’re going to get that kind of money, what kind of
accountability measures, should there not be accountability measures in place.”

And before that time we really didn’t have any.

Another president had a similar response. Discussing the fact that the community
colleges are funded by the state and annually petition for additional funding, he reported,

“They’re going to say, ‘Ok, what are you doing with this money and . . . what am I
getting, what kind of a bang for the buck am I getting.’”

Consumer advocacy. Several respondents from the System Office and the
colleges indicated that a primary interest of the legislators was from a consumer
advocacy perspective. They wanted to ensure that taxpayers were getting quality services
for the investment of their tax dollars. In addition, the legislators felt the need to verify
that funds were being spent appropriately at the local level. A community college leader
noted,
And at that point in time . . . there was a lot of attention from the legislature on accountability, “Are our tax dollars being spent the way they should?” And if I heard it once I guess I heard it five times . . . at the time we were looking at this [accountability measures and performance standards], it actually became a consumer advocacy issue. “Are we getting what we should be getting from the tax dollars that we’re investing in our educational systems?”

A System Office administrator responded,

When people ask “Why are the legislators involved,” I can say it in two words, consumer protection. And that’s their whole issue. We make a lot of promises. “Come to us, take this program, you’ll be able to pass the licensure exam and be employed.” “Come to us, you’ll be able to transfer to a four-year institution and you’ll be successful.” “Come to us in basic skills and we’ll teach you how to read, write, do math, get your GED [General Education Development certificate].” And the legislature said we want you to prove that . . . when a consumer pays you money, gives you tuition and the state gives money, we are assured you are delivering what you have promised to deliver. And that’s really the big impetus today of where we are. It’s all consumer protection.

Legislators wanted a mechanism for assessing the effective use of tax payers’ dollars. They wanted a system for measuring the individual colleges’ accountability in terms of meeting specified goals and objectives. They wanted documented evidence that would indicate how well colleges were meeting their missions and accomplishing their stated goals and objectives. The Fiscal Research Analyst stated,
And the performance measures actually came out of a conversation that I had with . . . my counterpart for the university piece of the budget. . . . Our team would meet and we would have conversations about budget issues that we had in common. And we would meet with a lot of people across the country, legislative staff people across the county, educational groups. . . . So the original idea sort of came out of conversations that I had with my colleagues across the country and within the legislative staff about ways to answer the questions that we would always get about how was the Community College System operating. “Are they spending our money effectively? Can they do with less or do they need more?” Those were the basic questions that we were asked all the time. . . . And so we talked about how can we show the legislature, number one how you’re currently spending your money. And whether or not they’re getting their money’s worth for what they’re already investing in tax payers’ money. And then thirdly, if in fact you do need more money, demonstrate that to us. And then if we give it to you, how can we show that you’re using it wisely.

As indicated by the above discussion, a tighter state budget and increased competition for state funding heightened legislators’ attention to the utilization of state resources. In particular, legislative policy makers wanted to know how budget decisions were made on the local community college campus. Furthermore, there was increased concern for ensuring that tax payers were getting the most for the investment of their dollars. These factors contributed to the establishment of accountability measures. As stated by one interviewee, “So suddenly, legislators have to start making tighter decisions
on how they were going to allocate dollars. So . . . they wanted accountability measures.”

Concern for Quality of Education

While the heightened interest in accountability can be attributed in part to the attentiveness to fiscal responsibility, a second key factor that led to the legislated mandate for accountability measures and performance standards was community, state, and national concern regarding the general quality of higher education. Nationwide, there was increased disquiet regarding the overall quality of education. Sparked in part by the 1983 report, *A Nation at Risk*, all levels of education came under public scrutiny. Angel (1990) addresses this concern,

American higher education is on the grill, and its leadership needs not only to recognize the seriousness of the criticisms leveled against it, but also to respond to substantive concerns and to change where criticisms are justified. Community colleges, perhaps the least well understood segment of higher education, have come under particularly intense scrutiny and criticism, and it is urgent that their leaders take seriously public pressures for accountability and respond by improving both their message and their programs to meet the changing challenges and expectations of the 1990s (p. 1).

North Carolina was not immune to this concern for the quality of its educational systems. A key administrator of the System Office reported,

This started out in the eighties, in K-12 education. And you’ll remember there were a lot of articles like “Why Can’t Johnny Read?” . . . We [K-12] were graduating a lot of people who couldn’t read, couldn’t write, couldn’t do simple
mathematics. In the 90s we saw that trend move over into the four-year and two-year post-secondary education area.

In the community college sector, much of this concern revolved around two broad issues: (a) quality of programs and passing rates on licensure exams and (b) management practices, particularly with regard to allocation of resources to specific programs.

Quality of programs and performance on licensure exams. Public apprehension regarding the quality of education attracted the attention of legislators. Citizens expressed their concern to legislative representatives, at times in the form of reporting unsuccessful personal experiences with education. The Fiscal Research Analyst reported,

I would get letters, constituent letters that would come into members’ offices saying, “My son enrolled in xyz program and he wasn’t able to do anything with this.” or “He’s taken the EMT [Emergency Medical Technician] licensure test three times and he can’t pass it.”

In response to the public concern, legislative policy makers began to examine local college operations more carefully. As they visited local campuses and reviewed college reports, one of the readily available indicators of program quality was student performance on licensure exams for program areas such as emergency medical technician (EMT), real estate, insurance, and nursing. Reviewing this data, they found what seemed to be patterns of consistently high and consistently low performance at various locations. The Fiscal Research Analyst noted,

So I started looking into those kinds of things and what I would find was there was a huge variance among the campuses on the passing of various licensure
exams. And so I did kind of an informal study. . . . sort of an informal survey to try to determine if there was a pattern about historically campuses that had a good passing rate and ones that had a very high percentage of people who would fail or had to retake the exam. And I found that, in fact, there was that pattern. There were schools that had very good passing rates on the nursing exam for example and others who couldn’t do this for year after year. So I would talk with the presidents about that. . . . The two issues that were the most important for me were the college transfer rates and also the performance on licensure exams. And a third being the GED and adult high school diploma. Those were the three primary areas of my concern. I really saw too much variation across the campuses and I wanted to build in some sort of incentive for those campuses that didn’t view those as high priorities.

As demonstrated by the preceding response, a primary concern was that some colleges which had low passing rates on certain licensure exams continued to have low passing rates year after year. In the view of the legislative policy makers, there was no apparent change in action to improve programs with less than satisfactory performance.

In 1989, the first accountability measures legislation was passed; it called for the State Board of Community Colleges to define statewide measures of accountability for all of the state’s community colleges. As a result, “critical success factors” were identified, and an annual report was generated providing performance results on these accountability measures. A review of the annually published Critical Success Factors for the North Carolina Community College System reports from 1990 through 1993
confirms that there was minimal, if any, improvement in statewide performance on licensure exams during that period of time (North Carolina Department of Community Colleges, 1990, 1991, 1992, 1993). In particular, some colleges repeatedly showed marginal passing rates in areas such as real estate, insurance, cosmetology, and emergency medical technician.

In 1993, additional legislation was enacted requiring the identification of measures that would be appropriate for assessing individual college performance and the establishment of corresponding institutional performance standards. A key System Office administrator stated,

To be perfectly honest, one of the reasons that [the 1993 legislation] came about was because legislative staff were looking at the reports we produced every year and they were not seeing any change. Colleges that were doing poorly on licensure exams continued to do poorly year after year after year. And the question was, well why aren’t they using these data? Why aren’t they doing anything to improve? And the perception that was out there was colleges didn’t care how well they performed. They only cared if the seats were full of students so they could get their funding.

It should be noted that in response to low performance, one president explained that students often took licensure exams the first time for practice; since the performance standard is based upon first-time test takers, this resulted in low performance ratings for a number of colleges. Another president explained that because the data reported for one year is based upon performance in previous years, improved performance does not show
up immediately in the Critical Success Factors reports. While in some cases there may have been a reasonable explanation for low performance data, such explanations did not satisfy the legislative policy makers. As a System Office administrator explained, “Some schools were being proactive [about performance], others weren’t. And because we weren’t, as a system, being proactive enough, we got additional special provisions [legislation].”

From the legislators’ perspective, colleges still were not doing enough to improve performance. It seemed that programs were maintained without regard to enrollment data, quality of instruction, or student outcomes. An example was cited in which a legislative staff member was visiting a college campus and inquired about a program that had reported low licensure passing rates on a particular test for several consecutive years. When asked what was being done about the program, the president replied, “I’m not doing anything about it. That class fills up every semester.” While a bit extreme, this example, along with other similar situations, garnered the attention of legislators. According to the interview respondent who reported this incident, “That showed the legislative staff people that we’re reporting on these data, but they’re not being used to improve programs [or] to terminate programs.”

From the legislative point of view, they had enacted legislation that required accountability measures and additional legislation that called for performance levels for individual colleges. Yet, colleges continued to perform poorly in certain areas. A key System Office administrator noted,
In 1998, the legislature came forward again and said we’re not satisfied. And the key phrase, if you go back and look at the legislation, the key phrase in this new special provision that really tells the interest of the legislature in all of this, is they did not feel that our standards were sufficient to ensure the public and business and industry that programs were of sufficient quality to meet their needs.

Giving a similar response, another System Office administrator stated, “Our legislative fiscal analyst . . . who had been our analyst for many, many years . . . felt like the critical success factors were not a sufficient indicator of quality.” A community college administrator who served on the task force that developed the accountability measures and performance standards stated,

So given two things, given that . . . we were just all over the map as far as how the 58 community colleges were approaching program review. Plus the critical success factors in some ways were a bit redundant, in some ways not. We just had too many things out there. And so . . . the legislature then felt that there should be a single uniform approach to measuring performance for all of the 58 community colleges.

In short, the legislators wanted a better system for measuring accountability and college performance.

*Budget management practices.* The general disquiet for quality of education was also influenced by the legislature’s concern regarding management practices at some colleges, particularly with respect to allocation of resources to specific programs. While this may have been a public concern to some extent as well, it did not have a direct
impact on the public and thus, did not generate a significant response from that venue; it was primarily a legislative concern. This attention was the result of several circumstances in which state funds had been appropriated for a specific purpose but were then allocated to a different area at the local level. The subsequent legislative conclusion was that funds were not being used to improve quality in certain areas that needed attention.

A key example of this issue was funding of literacy programs. Citing the dismal illiteracy rate in the state, the North Carolina Association of Community College Presidents petitioned the General Assembly for additional funding for literacy programs. However, upon investigation it was discovered that, while indeed the state had an extremely high illiteracy rate, literacy programs in the state’s community colleges were funded at a higher rate than other programs or services. There seemed to be no connection between the amount of money allocated for these programs and the improvement of outcomes. Further investigation revealed that funds allocated for literacy programs were being transferred to support other college programs and functions.

In various unrelated situations, several colleges were cited for similar budget practices in which funds that were appropriated for one purpose were actually used to support other college activities. Several community college respondents identified “isolated abuses” at some colleges as factors that contributed to a concern regarding inappropriate decision making at the local level. One interview participant was more explicit stating,

I’d say part of it had to do with a lot of the early scandals in the Community College System where you had colleges . . . where they were using sheltered
workshops and some of their programs, community service programs, to generate high FTEs [full-time equivalent enrollment measure used for budgeting] and then they were using that money to cross subsidize other programs.

Another concern was that colleges sustained programs that were not viable programs. A community college president responded, “They [the legislators] were concerned that we had programs that were marginally enrolled or under enrolled or on the books but not actually being used.” With a similar, but more pointed response, the Fiscal Research Analyst recounted a conversation with a former president in which they were discussing the costs of sustaining low enrollment programs,

He was very blunt with me. And he said, “Yeah I really don’t need so and so on my staff but he’s been there for twenty years and I would make all these people mad [if I dismissed him]. And yeah he’s got three students and he doesn’t carry his weight but what am I going to do.” I said, “Well I can understand that from your perspective but from the perspective of the General Assembly trying to work on a tight budget, that’s not exactly the answer that I can give them.”

Although in most of the cases cited above, the colleges were acting within their legal boundaries, in the view of the legislative policy makers, program decisions and allocation of funds at the local level seemed to be based on random decisions without regard to program demand or program quality. Funding low enrollment or low performing programs drained resources from other more productive programs and contributed to concern regarding quality of programs. As stated by the Fiscal Research Analyst, “They had a credibility problem. . . . And so in order to have the credibility to
make the case for money, they’ve got to have some data to support the case.”

Focus on Outcomes Assessment

A third issue that compelled state legislators to mandate the establishment of accountability measures and performance standards was increased focus upon the need for outcomes assessment. Nationwide, there was a shift toward measuring success in terms of student outcomes as opposed to student enrollment and other fiscal factors. As one president stated, “During the 90s, one of the hottest issues in educational reform was accountability.”

Several respondents cited the implementation of accountability measures at the public school level. In 1995, the North Carolina General Assembly called for the State Board of Education to develop a plan for restructuring public education, and in 1996, the General Assembly approved the State Board’s proposed plan and enacted the School-Based Management and Accountability Program known as ABCs (Evolution of the ABCs, n.d.). The program’s three primary goals were (a) strengthen local school accountability, (b) emphasize mastery of basic subjects, and (c) provide as much local decision-making as possible (ABCs 2007 Accountability Report Background Packet, n.d.). While the ABCs had no bearing on community colleges, it called attention to the concept of outcomes assessment. As one president noted, “You’ve got to remember during that time the ABCs were [implemented] at the state [level] for the public schools, and all of their myriad of accountability measures was hot on the forefront.”

National influence. The “new accountability” movement in higher education was guided, to a large extent, by the Southern Association of Colleges and Schools (SACS)
and other agencies and commissions. In the mid 1980s, SACS began to place greater emphasis on institutional effectiveness and measuring educational outcomes; a criterion for accreditation was that each college have an institutional effectiveness plan. A key System Office administrator noted,

> Externally there was the Southern Association of Colleges’ emphasis on institutional effectiveness and educational outcomes. With that, [there was] change in the way that external agencies looked at education as a whole in community college and four-year institutions. The focus was to get away from fiscal matters, such as how you spent your money or how many people are sitting down in chairs, to [focus on] what is actually happening with those students.

Another factor influencing assessment was a study conducted by the American Association of Community and Junior Colleges (AACJC). (It should be noted that in 1992 this organization was renamed American Association of Community Colleges.) In 1986, following a period of tremendous growth in the community college movement, the AACJC initiated a national study directed at the future of community colleges throughout the nation. The Commission on the Future of Community Colleges (AACJC Commission on the Future) was appointed and charged with the responsibility to “study the history, assess the current status, and develop recommendations for the future of community technical, and junior colleges” (AACJC Commission on the Future, 1988, p. vii). Consisting of state and national legislators and nationwide representatives of four-year and two-year colleges, the Commission conducted an 18-month study and reported its
findings in a document entitled *Building Communities: A Vision for a New Century*. This report included specific suggestions regarding assessment.

The Commission recommended “campus-wide assessment of institutional effectiveness” including “periodic reexamination of missions and goals, specific programs, individual student outcomes, retention rates, and the performance of graduates” (AACJC Commission on the Future, 1988, p. 47). The Commission also recommended that educational outcomes for students should be explicitly defined within each community college and the identification of these outcomes should involve both faculty and administrators and should be clearly related to the mission of the college. Finally, the Commission recommended college-wide assessment procedures “designed to ascertain the extent to which desired outcomes are achieved in a student’s literacy skills, general education, and area of specialization” (AACJC Commission on the Future, 1988, p. 47).

While the Southern Association of Colleges and Schools and the American Association of Community and Junior Colleges influenced the nature of assessment at the national level, North Carolina community colleges were affected to an even greater extent by two state-level studies. Conducted by two separate committees, the Commission on the Future of the North Carolina Community College System (NC Commission on the Future) and the Government Performance Audit Committee (GPAC), each of these studies made recommendations regarding outcomes assessment.

*NC Commission on the Future report.* In 1985, North Carolina legislators called for the State Board of Community Colleges to have an “outside independent study”
conducted to determine, among other things, “whether the system’s governance,
administration, and programs are effective in fulfilling the system’s mission” (North
Carolina Session Law, 1985, section 66). In response, the State Board of Community
Colleges established the Commission on the Future of the North Carolina Community
College System (NC Commission on the Future). Charged with “developing
recommendations on policy and action for the next 25 years” (NC Commission on the
Future, 1989, p. 4), the Commission consisted of business, education, and government
leaders from across the state. The Commission recognized and acknowledged the
increasing demands of an economy in transition from an industrial age to a technological
and informational age with global competition. Furthermore, the Commission identified
the state’s system of community colleges as critical to meeting those demands.

Based on an extensive review of the colleges, the Commission called for a
significant increase in state funding for the Community College System. In exchange for
the increased funding, the Commission urged the System to “focus sharply and intensely
on a set of priority goals. . . . Success in reaching these goals will require the system to
account for results and meet objective performance and quality standards” (NC
specifically related to a system of accountability:

- The State Board should oversee the redesign of the funding process to provide
  flexible and responsive funding. . . . The State Board should support the
development and implementation of acceptable mechanisms for rewarding
  colleges for excellent performance. . . . The State Board should institute effective
planning processes at the state and local levels to obtain greater accountability for the use of system resources. . . . The State Board should ensure that data collection systems support planning and accountability efforts (NC Commission on the Future, 1989, p. 21).

**GPAC report.** In 1991, the North Carolina General Assembly established the North Carolina Government Performance Audit Committee (GPAC.) Charged to study a wide array of state agencies, the Committee was given the directive to examine the “efficiency and effectiveness of major management policies, practices, and functions across all executive branch agencies” (GPAC, 1993, p. 1). The Committee called for improved management and delivery of state services with 350 recommendations in various areas of state governance including education. “When parents, citizens and communities refuse to accept the status quo and demand better from our schools, colleges, and universities, we will see results” (GPAC, 1993, p. 50). The Committee made several recommendations to provide improved continuity among and enhanced delivery by the state’s three educational systems: public schools, community colleges, and universities. Furthermore, the Committee identified accountability as one of five basic principles to be adhered to as a foundation to managing necessary change in state governance. The recommendations of this committee laid the foundation for the future development of the accountability measures and performance standards.

**Summary of Mitigating Circumstances**

To summarize, a number of factors and forces led the North Carolina General Assembly to pass legislation calling for accountability measures and performance
standards. One factor was shrinking state resources. As state budgets tightened and the funding for higher education was challenged, there was an increased focus on fiscal responsibility. This resulted in a need for accountability to demonstrate that allocated funds were being utilized effectively. Part of this focus was from a consumer advocacy perspective to ensure that taxpayers’ dollars were being used efficiently.

Secondly, there was national, state, and local concern regarding the overall quality of education. For North Carolina Community Colleges, much of this concern was focused on two issues: the quality of programs, particularly with regard to passing rates on licensure exams, and budget management practices, especially the allocation of resources to specific programs. Furthermore, there was a feeling that community college leaders had not been as responsive as they should have been to legislative requests for documentation of individual college accountability.

A third factor was a national- and state-level shift to outcome based assessment with specific attention to quality of performance. At the national level, the accountability movement was guided to a large extent by the Southern Association of Colleges and Schools (SACS) and corresponding regional accrediting agencies. At the state level, the shift in assessment was reflected in the public school sector by the legislative enactment of the School-Based Management and Accountability Program known as ABCs. With regard to community colleges, state-level reports from the Commission on the Future of the North Carolina Community College System and the Government Performance Audit Committee (GPAC) made recommendations regarding outcomes assessment. From all of these arenas, there was a call for colleges to be more accountable in fulfilling their
declared missions and demonstrating the accomplishment of stated outcomes of instructional programs.

The section has examined the circumstances that led the North Carolina General Assembly to pass accountability measures legislation for the states’ community colleges. The following narrative focuses on the interactions that took place between legislative policy makers and educational leaders as legislation was enacted and the accountability measures and performance standards were developed.

_Devlopment of Accountability Measures and Performance Standards_

The accountability measures and performance standards finalized in 2000 came about through a series of related legislative acts and subsequent response and action from the North Carolina Community College System. In 1989, the North Carolina General Assembly enacted legislation requiring the State Board of Community Colleges to define statewide measures of accountability for all community colleges in North Carolina (North Carolina Session Law, 1989, section 80). This was followed by 1993 legislation that called for the identification of measures that would be appropriate for assessing individual college performance and the establishment of corresponding institutional performance standards (North Carolina Session Law, 1993, section 109). In 1998, the General Assembly enacted legislation calling for a review of the accountability measures and the establishment of “appropriate” levels of performance for each measure (North Carolina Session Law, 1999, section 10.5). In 1999, the General Assembly passed legislation that established twelve performance standards for North Carolina community colleges (North Carolina Session Law, 1999, section 9.2) with minor additions and
revisions enacted in 2000 legislation (North Carolina Session Law, 2000, section 9.7). Thus, the 2000 accountability measures and performance standards evolved over a ten-year period.

The following narrative examines each of the legislative acts and the resulting progression in the development of accountability measures and performance standards. The narrative begins, however, with discussion of an individual who played a pivotal role in the development of each of the legislative acts. Nearly all of the respondents identified the Community College Fiscal Research Analyst for the North Carolina General Assembly as the key legislative player in the development of the accountability measures and performance standards policy. Since the influence of this individual is woven throughout the entire development process, he is introduced with respect to his role with the legislature and his relationship with community college leaders.

Role of the Community College Fiscal Research Analyst

A number of respondents contended that the accountability measures and performance standards legislation was heavily influenced by the individual who served as the Community College Fiscal Research Analyst for the North Carolina General Assembly. Two of the presidents indicated that at least portions of the legislation were a direct result of this individual’s influence on the legislators, and all of the respondents who were involved in the development of the accountability measures acknowledged his significant involvement in the developmental process. Referencing the team of legislative analysts that included the Community College Fiscal Research Analyst, a System Office administrator stated,
That [particular] group of legislative analysts was much more about policy than just dollars and cents. I will be very candid with you... Given that the education budget is two thirds of the general fund budget... they got into real policy questions, policy issues. What are state education system issues; what are national education policy issues and how does North Carolina fit into that; what are southern regional educational board policies.

All of these responses reflect the significant role of the Fiscal Research Analyst in developing the accountability measures and performance standards legislation.

In an interview with the community college Fiscal Research Analyst, he indicated that he was employed with the fiscal research division of the North Carolina General Assembly in 1979 and began working with the community college budget in 1983 which was his first experience with community colleges. The fiscal research staff was responsible for making recommendations to the legislature regarding state budget allocations. Describing his role, the Fiscal Research Analyst explained that the fiscal research staff was organized into teams, and he served on the education team as the community college staff person along with a public schools staff person and a university staff person. He indicated that the education team served as staff to the Appropriations Subcommittee on Education, a joint committee of the North Carolina House of Representatives and the North Carolina Senate. According to the Fiscal Research Analyst, the Appropriations Subcommittee on Education made decisions regarding allocation of funds for all educational programs based on input from the education team of fiscal research analysts. He acknowledged that the subcommittee relied heavily upon
his recommendations with regards to what Community College System requests should or should not be funded. He also candidly acknowledged the significant influence he and his colleagues had in drafting legislation.

When asked if his role involved serving as an advocate for community colleges, the Fiscal Research Analyst responded emphatically that he was not in an advocacy role. He explained that while he served somewhat as a liaison who tried to understand and communicate the needs of the community colleges, his role was to work for the legislature, providing them with the best advice and analysis that he could provide; he viewed that role with a strong sense of responsibility to the public and to higher education.

In describing the context of his involvement in the development of the accountability measures legislation, the Fiscal Research Analyst indicated that during the mid 1980s he served on the Commission on Colleges of the Southern Association of Colleges and Schools (SACS.) As previously stated, during this time there was a strong focus on performance measures at the national level including SACS and other educational organizations and entities. According to the Fiscal Research Analyst, the performance measures for North Carolina community colleges arose out of interaction and conversation that he had with colleagues across the country and among the legislative staff regarding ways to respond to questions of “Are community colleges spending our money effectively?”

A System Office administrator who was involved in the development of the accountability measures and performance standards emphasized that a primary notion on
the part of the Fiscal Research Analyst was to have measures of true quality in performance. Describing this philosophy, the interview participant stated,

Part of [Fiscal Research Analyst’s] thinking years and years ago with critical success factors was, (know he was involved with SACS and all the requirements for accreditation which really are quality, kind of quality assurance measures) that if you’re going to be accredited you have to meet certain criteria and various and sundry things. And [he] participated on accreditation teams and so he was very familiar with that whole notion of accountability performance etcetera. . . . I think [his] perspective was (and this was cutting edge because it hadn’t been done in education per se in North Carolina) there were output measures, clearly output measures. You could get all those in universities, community colleges, and public schools you wanted. . . . But were they measures of true quality? This was in [his] mind. And so he’s thinking in exchange for the state providing grant funds to colleges, (that’s what they are, grants and aid to local colleges) there ought to be some assessment of the quality of all of that. And so that was very much in his thinking as I remember it pretty clearly from the late 80s and early 90s. And he wanted to see us being able to do that.

With respect to his relationship with community college leaders, the Fiscal Research Analyst spoke positively of his relationship with the System Office. He also indicated that he worked with the North Carolina Association of Community College Presidents and with individual presidents to develop an understanding of how community
colleges operated. He indicated that presidents invited him to visit their campuses and allowed him to meet with employees as well as students.

Based upon interviews with the Fiscal Research Analyst and presidents, there was clearly an atmosphere of tension at times between these two entities. The Fiscal Research Analyst stated, “What I found was that there was a predisposition to the way things were, the way things had been operating, and the status quo.” Very candid about the discord, he acknowledged that he knew there were times when “they [community college presidents] were just very angry with me.” He also spoke about times when everyone worked together cooperatively and asserted that he had developed very strong and close relationships with people throughout the Community College System. He stated, “They knew that I was not coming from this with a heart of malice. It was in their best interest.”

While most of the presidents were somewhat reserved, their responses also reflected the tension as well as an appreciation for the role of the Fiscal Research Analyst. One president indicated that the Fiscal Research Analyst was offended by isolated abuses at a very small number of colleges and as a result, led the legislature to impose regulations upon the entire Community College System. However, another president indicated that the Fiscal Research Analyst was “clearly instrumental in helping us understand what was being sought [by the legislature.]”

Having discussed the role and influence of a key actor in the development of the accountability measures legislation, the following narrative focuses on the legislative acts that brought the accountability measures and performance standards to fruition. Appendix C provides a summary of the legislation including the various committees and
task forces involved in the development of the accountability measures and performance standards.

1989 Legislation - Initial Critical Success Factors

As discussed previously, the Commission on the Future of the North Carolina Community College System recommended increased and more flexible state funding for the state’s community colleges and also called for greater accountability in meeting “performance and quality standards” (NC Commission on the Future, 1989, p. 16). While the funding would not be appropriated for several years, this report was a foundational part of the first North Carolina legislation that was directly related to the accountability measures.

Following this report, the 1989 North Carolina General Assembly enacted legislation requiring the State Board of Community Colleges to develop “critical success factors” that would define statewide measures of accountability for the state’s community colleges and called for each college to develop an institutional effectiveness plan (North Carolina Session Law, 1989, section 80). In return, the legislation called for increased flexibility in how colleges could use state funds. The former Associate Vice President of Planning and Research for the System Office explained,

In 1989, the System was the subject of a report done by MDC Incorporated [NC Commission on the Future report]. . . . It prescribed a list of things for the System to do, and one of them was to keep measures better. So during the 80s, various states started doing things with performance, measuring performance of education and training programs. . . . I had started the planning unit [System Planning
Committee] at the System Office. And what we were trying to do was to get
North Carolina colleges to develop a set of measures that they could live with and
avoid having the legislature dump one on them. Well, that was supported by the
MDC study, *Gaining the Competitive Edge* was the name of it. And it called for
substantial investment in the community colleges that never was actually
made. . . . But a lot of the ideas from that report were actually adopted as it went
along, and one of them was this idea of formulating critical success factors.
The Associate Vice President of Planning, Accountability, Research, and
Evaluation summarized the requirements of the legislation, “So in 1989 we got our first
piece of legislation, which was on the critical success factors, to develop a set of
measures. . . . So in 1989, we developed our first set of performance measures and our
critical success factors report.” While the legislature mandated the establishment of
accountability measures, the actual development of the measures was left to the North
Carolina State Board of Community Colleges and the System Office. As stated in the
first Critical Success Factors for the North Carolina Community College System report
which was published in 1990,

This special provision is neither the first nor the last state initiative linking
flexibility in the use of funds with the required accountability measures. Its
requirements leave in the hands of the State Board and the colleges the
identification of the key factors that will be measured and the specific approach
that will be taken to measure them. However, the General Assembly clearly
expected action to be taken immediately, and required semiannual reports on the
progress of the “critical success factors” and the institutional effectiveness plans (North Carolina Department of Community Colleges, 1990, p. 1).

Several respondents indicated that the initial critical success factors were developed under the direction of the former System Office Associate Vice President of Research and Planning. This development was further documented in the 1990 Critical Success Factors report. According to the report, the staff of the System Office developed an initial list of measures. Interview respondents clarified that this initial list was developed with input from the System Planning Council, a committee established by the System President in the early 1980s consisting of local college trustees, presidents, and administrators. (It should be noted that this group is referred to in some literature and publications as the System Planning Committee, System Planning Unit, and the Long-Range Planning Committee. However, the former Associate Vice President of Planning and Research and the current Associate Vice President of Planning, Accountability, Research, and Evaluation confirmed that all of these names reference the same group.)

The former System Office Associate Vice President of Planning and Research elaborated on the development process,

So I experimented with putting out a set of measures. . . . And we developed the measures I think through a pretty interactive process. It escapes me particularly now, but one of the things we committed to was measuring at the system level and not breaking it out by college. [And] using information that we could get; it was either already in the system or that could be easily gotten, not making this, in other words, a huge research burden for any of the local colleges. . . . Above all I
didn’t want to impose a plan or planning process or impose the critical success factors. The whole idea of doing it as a state before the others, before it was imposed on us, was not for the System Office to impose it instead of the legislature, but for the colleges to be involved in developing it. So, basically I made a matrix format and we all discussed those six factors and came up with those. And then we brainstormed about what we had measures for. And we came up with what we wanted at first. And then we looked at what we wanted and it was pie in the sky and it was all over the place. And so we narrowed it down.

As reported in the 1990 Critical Success Factors report, there were four guiding principles in the development of the measures:

First, the factors clearly had to come from the goals adopted by the State Board in the system plan and the Commission on the Future report. Second, it was determined that the factors and measures must be simple enough to be accessible to the audience of legislators, board members, and the public who need the insights that the factors will provide. Third, every effort would be made to define measures of results rather than resources or characteristics. And finally, there must be multiple measures. One set of data should not be the basis for making broad judgments. (North Carolina Department of Community Colleges, 1990, p. 2).

The initial list of accountability factors and measures was circulated to the North Carolina Association of Community College Presidents. The presidents were asked to involve their staffs in responding, and the list of measures was revised based on their
feedback. Following final revisions by the System Planning Council, the proposed accountability factors and measures were again circulated to the presidents. The final recommendation consisted of six “critical success factors:” (a) quality teaching and support services, (b) access, (c) strong partnership with public schools/universities, (d) helping business and industry, (e) community services, and (f) accountability and flexibility in funding. Multiple measures were established for each factor with a total of 27 measures for the six factors. The critical success factors were adopted by the State Board of Community Colleges in July 1989.

According to the 1990 Critical Success Factors report, critical success factors were defined as “key things that must go right for the system to flourish and achieve its goals” (North Carolina Department of Community Colleges, 1990, p. 1). As described in the report, these factors are the measures that “provide a way of showing how well the system is doing its job as assigned by law and how well the system is addressing the goals set by the State Board of Community Colleges” (North Carolina Department of Community Colleges, 1990, p. 1). The report further specifies, “The critical success factors developed by the State Board are to measure the system, not individual colleges.” (North Carolina Department of Community Colleges, 1990, p. 1)

According to then Associate Vice President of Planning and Research, the measures “sometimes were really good and sometimes were just what we happened to have.” The System Planning Council also acknowledged that there were some measures that needed to be in place, but there was not an adequate system for collecting necessary data; the 1990 Critical Success Factors Report stated,
This first experience with collection of data on these factors and measures has revealed that there is considerable room for improving the measures and the System Planning Committee is beginning that process. The experience also shows that the capacity to gather data on the operation of the system is not adequate and needs to be improved. This will require time and money (North Carolina Department of Community Colleges, 1990, p. i).

Performance results for the six critical success factors were published in 1990 in the first Critical Success Factors report. The data were reported as system-level data with no indicators of individual college performance.

The reporting of the data was an issue of primary concern for community college leaders. Although there was no reward or penalty for performance on the six identified factors, the presidents expressed significant concern regarding the publishing of individual college performance data. One community college respondent who was involved in developing the critical success factors recalled, “Of course everybody was very much afraid of having college by college data. They saw it as intrusion. They just wanted system-level data.” A System Office administrator indicated that the System Office, who perhaps had more direct communication with legislators, wanted to take a proactive stance. He explained,

We talked with the presidents about this issue that accountability was coming and we needed to take a proactive stance and go ahead and put forth college-level measures that we all felt comfortable with. The presidents were more of the opinion, “This is a local matter. This is a local concern. This is a local board of
trustees concern. This is not a concern of the legislature. We’re not going to, we would rather fight it than move forward proactively.”

The sentiment of the presidents was reflected in one president’s comment,

I find it humorous though, I will have to tell you, that the discussions in the early parts were “Oh no, this is not going to be used to compare college to college.”

Well of course that’s not true, right? It is being used just exactly that way. . . . Up there in that document, it’s listed there alphabetically and which colleges met the standards and which didn’t. So I find that quite humorous.

In 1990 and again in 1991, the System Planning Council recommended minor revisions to the six critical success factors; these revisions consisted of title changes to some of the six factors in 1990 and deletion and addition of measures in 1990 and 1991. As with the initial development process, these revisions were presented to the North Carolina Association of Community College Presidents for their input. Each set of revisions was approved by the North Carolina State Board of Community Colleges. The critical success factors for the 1991 and 1992 reports consisted of (a) quality, (b) access, (c) education continuum, (d) workforce development, (e) community services, and (f) program management/accountability.

While the changes to the actual accountability factors and the corresponding measures were minor, another change was more significant. The 1991 Critical Success Factors for the North Carolina Community College System: Second Annual Report was published with data again reported for the system and not individual colleges (North Carolina Department of Community Colleges, 1991). As stated previously, community
college leaders, particularly presidents, had fought to have only system-level data reported. However, the legislature insisted upon the disclosure of individual college data, and the 1992 Critical Success Factors for the North Carolina Community College System: Third Annual Report contained “data for the system as a whole and for individual institutions where appropriate” (North Carolina Department of Community Colleges, 1992, p. i).

When asked why the legislators were so adamant about seeing college-level data, the former Associate Vice President of Planning and Research replied, “They wanted to know in their districts how things were going. They also were concerned that without detailed data, they wouldn’t know critical things, like whether we had some really bad colleges and then some really good ones that offset them.” The Associate Vice President of Planning, Accountability, Research, and Evaluation gave a similar response, “They wanted to see not just the health of the system but how well individual colleges were performing. They were interested in the question of were all of our colleges performing at an appropriate level. The System Office could mask a poor performing college.” Asked about the stance of the System Office he stated, “We were going to do what the legislature required us to do.”

The System Planning Council made additional modifications which were presented to the presidents for feedback and then approved by the State Board of Community Colleges in September 1992. With these revisions, the first accountability factor on quality was subdivided; the new list of seven critical success factors consisted of (a) student success, (b) resources, (c) access, (d) education continuum, (e) workforce
development, (f) community services, and (g) program management/accountability. An additional change included replacing the term “measures” with the term “measures of quality.” This was reported as

a significant change to more clearly reflect the intent of this report…. By including the phrase Measures of Quality, the System Planning Committee and the State Board have affirmed that quality should be reflected in all that we do; quality should permeate all measures contained in this report.

Perhaps the most significant change, however, was in how the data were reported; there is a different tone in the 1993 Critical Success Factors for the North Carolina Community College System: Fourth Annual Report. A revised introduction of the report states,

The original intent of the critical success factors report was to present data that would measure the performance of the system. As the years have progressed, however, the report has been modified to include institutional data on certain measures. In presenting institutional data, no attempt has been made to rank colleges relative to performance on measures due to the differences in the nature of the colleges and the quality of the data currently being collected. Instead, in presenting institutional data, the colleges have been grouped according to total full time equivalent students (FTE) and listed within each group in ascending order by FTE (North Carolina Department of Community Colleges, 1993).

1993 Legislation - Performance Standards for Individual Colleges

While the Critical Success Factors reports provided system-level assessment and some individual college assessment, legislative policy makers wanted more individual
college accountability. Furthermore, they wanted to codify the requirement for publishing college-level data. The legislative call for greater accountability was supported by a report from the North Carolina Government Performance Audit Committee (GPAC.) As stated previously, the North Carolina General Assembly had established this committee in 1991 to study the “efficiency and effectiveness” of state government agencies. Published in 1993, the GPAC report made a number of recommendations with regard to education, including community colleges; it identified accountability as one of five basic principles that were pivotal to managing necessary change.

Following the GPAC report, the General Assembly passed 1993 legislation which called for the establishment of “standards for levels of institutional performance on those critical success factors that can be appropriately measured to indicate how individual colleges are performing in meeting the goals of the North Carolina Community College System” (North Carolina Session Law, 1993, section 109). According to this legislation, each college had to report its performance to the State Board of Community Colleges, and colleges that failed to meet any of the standards in any year had to report to the State Board the reasons for performance below the required level and submit a plan for improvement.

As cited previously, a System Office administrator indicated that this legislation was enacted because “legislative staff were looking at the reports we produced every year and they were not seeing any change.” This administrator further stated, “They [the legislators] saw that we were going through a paper exercise. The next month we had another special provision [legislation] on accountability.” With this legislation, while
there was still some resistance from the presidents, they had lost the battle for keeping college-level data at the local level and out of the purview of the legislators.

The President of the North Carolina Community College System appointed fourteen task forces to respond to the GPAC recommendations and resulting legislative mandates. The Accountability Task Force (see Appendix D), composed of a representative from the State Board of Community Colleges, Community College System Office personnel, a local community college board trustee, and personnel from various community colleges, was established to review the critical success factors and corresponding measures and establish performance standards.

The Accountability Task Force reviewed the existing critical success factors in light of the newly revised Community College System goals and the specific requirements of the 1993 legislation. Explaining the requirements of the legislation, the Associate Vice President of Planning, Accountability, Research, and Evaluation noted, “The ‘93 legislation just said, ‘For those measures that you have, where it’s appropriate, establish performance standards [for individual colleges].’ That’s all it said.” The task of the committee was to identify, from the list of already established accountability measures, those measures that would be appropriate for reporting college-level data and establish performance standards for those measures.

The task force reviewed the literature and reviewed information from other states and agencies. They also conducted a survey of instructional administrators. Based on their research, they developed a preliminary list of accountability measures. The task force then turned to the job of setting a standard for each measure.
To set performance standards, the task force first considered existing requirements of accrediting agencies, such as the State Board of Nursing. The Associate Vice President of Planning, Accountability, Research, and Evaluation explained, “If there were already existing standards that we had to adhere to, we should use those.” For other measures, the task force examined the previous three years of state-level performance and set a preliminary standard based on the three-year average. They then reviewed an analysis of the 1993 critical success factors data in order to determine the number of colleges that would not meet the proposed standards and made revisions accordingly.

The Accountability Task Force proposed a list of ten accountability measures to be used for reporting individual college data: (a) percent of literacy students who move from one level of literacy to the next, (b) percent of GED/high school diploma recipients who move into a curriculum program or into an occupational extension program, (c) goal completion for literacy students, (d) transfer students’ GPA after two semesters at a four-year institution within the UNC system, (e) licensure/certification exam passing rates, (f) goal completion of students, (g) employment in a related field, (h) satisfaction with the college, (i) employer’s satisfaction, and (j) participant’s satisfaction with small business center activities. In addition, the task force proposed a performance standard for each measure.

The reports of each task force, including the Accountability Task Force report, were distributed to the president of each community college in early March 1994. On March 31, 1994, there was a called meeting of the North Carolina Association of Community College Presidents and the Executive Committee of the North Carolina
Community Colleges Trustees Association to discuss and receive feedback on the task force reports. While there was discussion, no changes were made to the task force recommendations, and the reports were presented to the State Board for adoption in April 1994. In its report to the State Board of Community Colleges, the Accountability Task Force proposed that “1994-95 be a test year for the newly-designed performance standards.” In May 1994, a composite report was presented to the Joint Education Oversight Committee of the legislature along with the individual task force reports, thus meeting the requirements of the 1993 legislation.

1998 Legislation – New Accountability Model

To summarize the previous development of the accountability measures and performance standards, it should be noted that in 1989, the North Carolina General Assembly issued a legislative mandate to develop “critical success factors” that would define statewide measures of accountability for the state’s community colleges. In response, the System Planning Council, with input from individual college presidents, developed a list of critical success factors and corresponding system-level measures. Pushing for more individual college accountability, in 1993, the General Assembly enacted legislation requiring the establishment of performance standards for those accountability measures that were “appropriate” for reporting college-level data.

Following the 1993 legislation and the resulting establishment of performance standards for those accountability measures identified as appropriate for college-level reporting, the North Carolina Community College System continued to work with individual colleges to collect data and prepare the annual Critical Success Factors reports.
A key System Office administrator explained that the legislators paid careful attention to these reports,

Well almost annually I would go over and report on the critical success factors to the legislators. And I can tell you they were much more interested in it [the Critical Success Factors reports] than the presidents [were]. That always kind of got me. Because they would give me half an hour to 45 minutes and I would go through them and show them slides and all of the key numbers and answer their questions which were often times very insightful and digging. Like they would want a list of programs that were under enrolled programs.

The legislators continued to have concerns about accountability at the local level. In 1998, the North Carolina General Assembly issued legislation proclaiming that “the current annual program review standards are not adequate to ensure that programs are meeting the needs of students, employers, and the general public” (North Carolina Session Law, 1998, section 10.5) and ordered the State Board of Community Colleges to “establish appropriate levels of performance based on sound methodological practices” (North Carolina Session Law, 1998, section 10.5). Calling on the State Board to develop a plan for an improved technology and management information system, the special provision legislation directed the community colleges to “comply with the annual reporting requirements of the state board” (North Carolina Session Law, 1998, section 10.6) and directed the State Board to “develop a plan to improve the timeliness and accuracy of the data that is reported to it” (North Carolina Session Law, 1998, section 10.8) including the withholding of state funds from colleges that did not comply.
Based on the wording of this legislation, it is clear that the legislators were dissatisfied with the community colleges’ accountability reports. The Community College Fiscal Research Analyst noted,

So that was when I was telling you about how we didn’t get cooperation early on [from presidents.] And we put some things in place because we weren’t getting the answers that we needed…. And then it was the carrot and stick approach. If they would provide this information then we would give them, they could transfer money without having to get prior approval. Or there were certain things that they wanted to be able to do, that if they were willing to give something on this hand, then they got the flexibility to do [some of the things they wanted].

The Associate Vice President of Planning, Accountability, Research, and Evaluation explained,

Basically what happened in ’98 and . . . [the Community College Fiscal Research Analyst] was a big factor here. He was looking at it [Critical Success Factors reports] and did not see that the data were being used for anything. Did not see that the System Office Academic and Student Services division or the colleges were taking the data seriously or using the data for program improvement. So they wanted to tighten the reins. . . . The ‘98 legislation said we’re not satisfied with your performance system. We want a set of measures that truly reflect performance and that have hard standards associated with them that will essentially be a consumer protection guarantee.
To comply with this legislative mandate, the North Carolina Community College System pursued two simultaneous phases of development: development of revised accountability measures and performance standards and development of a performance funding model.

*Revised accountability measures and performance standards.* The President of the North Carolina Community College System (NCCCS) appointed the Performance Measures and Standards Task Force (see Appendix E) to study and recommend accountability measures and standards. Chaired by a community college president, the task force consisted of a representative from the State Board of Community Colleges, personnel of the North Carolina Community College System Office, and presidents and administrators of individual community colleges. Peter Ewell from the National Center for Higher Education Management Systems served as a consultant to the task force.

The task force reviewed national literature and carefully examined existing college performance data. A System Office respondent noted,

I staffed the task force . . . that developed this whole set. I was the one charged with the responsibility of doing all the national literature search to see what was being done in other states. I did all the data analysis to bring back different scenarios to the committee for them to look at data and how these measures would look if we used this methodology versus a second methodology.

A community college administrator who served on the task force responded,

We had two tremendous resources in [the Associate Vice President of Planning, Accountability, Research, and Evaluation] and [the Community College Fiscal Research Analyst.] I think they had worked together prior to the committee
getting together, coming up with some suggestions on the kinds of things we should be looking at as to what would be credible measures to indicate just how effective our institutions were being. So when we first came together ... we actually had a list of, (and I think what they had done is looked across the nation to see other things that had been going on) and just had it all out there in front of us. And we went through one by one and looked at the various possibilities of those things that we might measure. Some we liked, some we didn’t, but it was a committee approach.

As expected, the Fiscal Research Analyst had significant interaction with the task force. Asked about his role with respect to this committee, he stated,

They had me initially . . . on the membership list [as a member of the task force.] And I said, “I’m not sure that’s wise for me to be officially a member of this group. I think this needs to be a community college group.” But I certainly attended every meeting. And we bounced ideas off of each other and it was a consensus issue.

Key informants who served on the task force were asked about the Fiscal Research Analyst’s involvement with the committee. As cited above, one committee member described him as an “excellent resource.” Given that the legislation expressed dissatisfaction with the existing accountability model, the task force wanted to ensure that whatever proposal they developed would be satisfactory to the legislators. As such, they placed great value on the input of the Fiscal Research Analyst. One of the community college presidents from the task force stated,
To me, he was key to that process. And he was key to it in that he really was the liaison between the legislature and the community colleges, and basically tried to convey to us that which would be acceptable, in his opinion, to the legislature and that which would not.

It was apparent from the interviews that community college leaders had considerable input and influence in the development of the proposed accountability measures and performance standards. Representatives from the task force and the Community College Fiscal Research Analyst met with the North Carolina Association of Community College Presidents throughout the year to discuss the proposed accountability measures and performance standards.

As indicated in previous narrative, the presidents had fought to keep college-level data out of the purview of the legislators. In their opinion, any performance concerns were local issues to be handled by local college administration and local boards of trustees. However, they had lost that debate. With the development of the revised accountability measures and performance standards, the presidents were trying to negotiate to minimize any negative impact on local autonomy. One president discussed some of the “concessions” he was able to get. When asked about the input and influence of the Presidents Association in the development of the accountability measures and performance standards, he responded, “Oh yeah, the Executive Committee and Program Committee of the Presidents Association did [have influence]. And of course we certainly involved the rank and file folks too.” When asked further whether he felt the presidents had real influence, as opposed to just being given the opportunity for input, on
how the measures and standards turned out, he indicated, “On some of them. . . . Won some, lost some.” Another president indicated,

I think most everybody was apprehensive about the standards that were set and whether they were based in fact…. But … he [the consultant] backed up his numbers with some benchmark, basically benchmarked those numbers to make them somewhat reasonable. . . . But that was the complaint, more where you set the standard. It wasn’t the measures themselves; it was how you set the standards and how you provided the data.

Based on research, extensive review of individual college performance data, and input from community college presidents, the task force developed twelve accountability measures and performance standards for each measure. The task force made the following recommendations:

(a) The proposed set of measures and standards for each measure will replace the existing annual program review and critical success factors standards. (b) Standards will be applied at the institutional level, except for licensure/certification data for which each exam at each college must meet the standard. (c) To ensure sound methodological practices as required in the special provision, the Department of Community Colleges will review data collection procedures and analysis for reliability and validity. (d) Periodic evaluations of the standards will be conducted by the Department of Community Colleges and, based upon the evaluations, modifications to the standards will be recommended to the State Board of Community Colleges. (e) The following twelve performance
measures will replace the Critical Success Factors and the Annual Program Review accountability measures: (1) progress of basic skills students, (2) performance of college transfer students, (3) passing rates for licensure and certification examinations, (4) passing rates of students in developmental courses, (5) success rate of developmental students in subsequent college-level courses, (6) program enrollment, (7) student satisfaction of program completers and non-completers, (8) goal completion of program completers, (9) curriculum student progress and success, (10) employer satisfaction with graduates, (11) employment status of graduates, (12) client satisfaction with customized training.

After being presented to the North Carolina Association of Community College Presidents for review and input, the recommendations were submitted to the State Board of Community Colleges for approval. The recommendations were then presented to the Joint House/Senate Appropriations Subcommittee on Education and were enacted in 1999 legislation.

Performance funding model. The consulting firm, MGT of America, was employed to develop a proposed performance funding model. Considering the limited experience of the North Carolina Community College System with using performance data for resource allocation, combined with other budget issues, the consultant stressed that the performance funding model should be designed for simplicity, stability, validity, efficiency, flexibility, and should be improvement-oriented (MGT of America, 1999). Based on a study of performance funding approaches used in other states and an analysis of the North Carolina Community College System (NCCCS), the consultant
recommended that the NCCCS be authorized to carry forward up to 2% of its final appropriation at the end of each fiscal year to be used for performance allocations.

The proposed model included four required accountability measures to be used for performance budgeting: (a) goal completion of program completers, (b) employment status of graduates, (c) progress of basic skills students, and (d) passing rates for licensure and certification. In addition, each college would select two other performance measures for a total of six measures to be used for performance budgeting. For each of these six measures on which a college met the minimum required performance standard, the college would be allowed to retain and carry forward into the next fiscal year one-third of one percent (1/3 of 1%) of its final fiscal year General Fund appropriations; thus, each college would be eligible for a total of 2% as carry forward funds. If a college failed to meet any of its six performance standards, the corresponding carry forward dollars would be transferred to a system-wide pool to be dispersed among colleges that had demonstrated “superior performance” (MCG of America, 1999, p. 38).

The President of the North Carolina Community College System appointed the Performance Funding Implementation Task Force (see Appendix F) to develop an action plan for implementing the performance funding model. This task force was co-chaired by the Vice President of Administration and the Vice President of Business and Finance of the System Office and consisted of community college presidents and senior administrators.

The Performance Funding Implementation Task Force reviewed individual college performance data on the required accountability measures and requested
additional information on several specific issues such as special populations and
developmental courses. Based on review of the data, the task force identified issues that
needed study and clarification in order to implement the accountability measures and
performance funding model and made twelve recommendations to address the issues.
These recommendations were presented to the North Carolina Association of Community
College Presidents for suggestions and input, revisions were made, and the twelve
recommendations were presented to the North Carolina State Board of Community
Colleges for approval in February 2000. The recommendations called for clarification on
(a) the definition of superior performance, (b) definition of significant improvement, (c)
distribution of carry-forward funds, (d) allowable use of carry-forward funds, (e) how
and when each college must declare the sixth measure, (f) how program enrollment data
for various program levels – certificate, diploma, degree – would be aggregated, (g) the
application of licensure and certification standards, (h) required response rates for use of
survey data, (i) required cell size for use of survey data, (j) computation of performance
measures impacted by special populations and subgroups, (k) transfer student
performance at private and out-of-state colleges and universities, and (l) a standard
grading scale for developmental studies courses.

1999 Legislation – Twelve Accountability Measures and Performance Standards

The recommendations of the Performance Measures and Standards Task Force
and the Performance Funding Implementation Task Force were implemented in 1999
legislation which stated,
It is the intent of the General Assembly that the State Board of Community Colleges implement the findings of the consultant's Phase IV Funding Study Report, prepared by the State Board and submitted to the Education Appropriations Subcommittee, on performance budgeting; therefore, Chapter 115D of the General Statutes is amended by adding a new section (North Carolina Session Law, 1999, section 9.2).

In 2000, the North Carolina General Assembly made minor revisions to the accountability measures and performance standards, and added the following statement, “Each college shall publish its performance on the 12 measures . . . (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted” (North Carolina Session Law, 2000, section 9.7)

While there have been minor changes in the wording, the requirements of the accountability measures and performance standards have not changed since the 2000 legislation. The requirements of this legislation are set forth in the “Performance budgeting” section of Chapter 115D of the General Statutes, Community College Laws of North Carolina. (See Appendix G.)

According to this statute there were twelve mandatory performance measures: (a) progress of basic skills students, (b) passing rate for licensure and certification examinations, (c) the proportion of those who complete their goal, (d) employment status of graduates, (e) performance of students who transfer to the university system, (f) passing rates in developmental courses, (g) success rates of developmental students in subsequent college-level courses, (h) the level of satisfaction of students who complete
programs and those who do not complete programs, (i) curriculum student retention and graduation, (j) employer satisfaction with graduates, (k) client satisfaction with customized training, and (l) program enrollment. Each college was required to publish its performance annually in its electronic catalog or on the Internet and in its printed catalog each time the catalog is reprinted. The Community College System Office was required to publish the performance of all colleges on all twelve measures in its annual Critical Success Factors report.

The first five measures (measures a through e of the above list) were designated for performance budgeting; in addition, each college was to select a sixth measure to be used for performance budgeting. For each of these six performance measures on which a college met the minimum required performance, the college was allowed to retain and carry forward one-third of one percent (1/3 of 1%) of its final fiscal year General Fund appropriations. In addition, colleges who met the performance standard for at least five of these six accountability measures were identified for “superior performance” and were eligible for additional carry forward funds. It should be noted that the legislation differed slightly from the originally proposed performance funding model; the original proposal specified four required measures with two additional measures selected by each college. This change was made at the legislative level.

Summary of Policy Development

To summarize, there were several legislative acts that led to the establishment of the state-mandated accountability measures and performance standards. As a result of 1989 legislation, six “critical success factors” were developed by the System Planning
Council to measure community college performance. In 1993, additional legislation resulted in the formation of the Accountability Task Force which established institutional performance standards for those measures that were “appropriate” for measuring individual college performance.

In 1998, the North Carolina General Assembly called for a review of the existing accountability model and mandated the establishment of accountability measures and performance standards that would better ensure that colleges and programs were meeting the needs of students, employers and the general public. The Performance Measures and Standards Task Force developed twelve accountability measures with performance standards for each measure; the Performance Funding Implementation Task Force developed an action plan for implementing a performance funding model. In 1999, legislation was enacted that established the twelve recommended accountability measures and corresponding performance standards. This legislation also included performance budgeting for colleges that meet required performance standards. Follow-up legislation in 2000 made minor revisions and outlined how individual college performance should be published.

The legislation was significantly influenced by the Community College Fiscal Research Analyst who served as staff to the General Assembly. This individual worked closely with the various committees and task forces and the community college presidents to develop the accountability measures and performance standards. As acknowledged by many respondents, there was, at times, considerable tension and discord between the Fiscal Research Analyst and the community college leaders as the
legislature pushed for increased individual college accountability. The development of the accountability measures and performance standards also included input from the college community.

The various committees and task forces provided a vehicle for broad-based participation and input into the development of the accountability measures and performance standards. Each of these groups included personnel of the North Carolina Community College System Office and presidents and administrators, and in some cases faculty or staff, from individual community colleges. Some of the committees also included representation from the legislature and the State Board of Community Colleges.

Initially, there was resistance at the local level to the concept of accountability measures and performance standards. According to a System Office administrator,

There was a lot of resistance from the presidents to publishing any of the [individual college] data. They did not want the data out there. They did not think it was in the purview of the legislature to be looking at that kind of data, that it was an issue of academic freedom.

The former Associate Vice President of Planning and Research concurred that there was a lot of resistance from the local campuses and particularly from the presidents who were “defensive of local autonomy.” Furthermore, of the presidents who were interviewed, all of those who were serving at the time the accountability measures and performance standards were being developed acknowledged there was resistance from the local campuses. However, they also acknowledged positive outcomes that have resulted.
As for the perspective of the Community College Fiscal Research Analyst, he stated, “I really genuinely thought that we need this data; we need to know what’s going on; we need for them to do the right thing. We just differed on what we thought was the right thing.” He added, “And since I had a heavier hammer than they did, I tended to win out.”

While a previous section examined the circumstances that led the North Carolina General Assembly to pass accountability measures legislation for the states’ community colleges, this section has detailed the interactions that took place between legislative policy makers and educational leaders as legislation was enacted and the accountability measures and performance standards were developed. The focus of the following section is to examine the impact, from the perspective of community college leaders, of the accountability measures legislation upon local governance.

Community College Leaders’ Perceived Impact on Local Campus Governance

As described in the preceding section, the North Carolina General Assembly implemented twelve accountability measures and performance standards for the North Carolina Community College System. Each college was required to publish its performance on all twelve accountability measures, and the performance of all colleges was published by the North Carolina Community College System Office in the annual Critical Success Factors report.

Five of the twelve measures were designated for performance budgeting, with each college selecting a sixth additional measure to be used for performance budgeting. In accordance with the performance budgeting model implemented with the
accountability measures, for each of these six measures on which a college met the minimum required performance standard, the college would be allowed to retain and carry forward into the next fiscal year one-third of one percent (1/3 of 1%) of its final fiscal year General Fund appropriations. In addition, colleges who met the performance standard for at least five of the six accountability measures would be eligible for additional carry forward funds.

Given the budgeting and publicity implications, there was an obvious state-imposed incentive for colleges to meet the required minimum performance standards. This, in turn, had a potential impact on local campus decision making and thus, on the relationship between state authority and local governance.

One of the primary factors affecting the relationship between state authority and local governance has been college leaders’ concern for protection of local autonomy. While there is recognition of the legislative responsibility to ensure accountability in the use of state resources, many noted scholars have expressed apprehension regarding the state’s intrusion in local decision making. Cohen (1975) conveyed this concern,

Gradually, steadily, seemingly irresistibly, governmental agencies, commissions, boards, and legislatures are impinging on the colleges. All is done with the best of intentions. . . . But people in the colleges may be forgiven if they see the state as an unwelcome intruder. Pummeled by many rapidly shifting demands, they find it almost impossible to maintain their own vision of appropriate educational services (p. ix).
This concern regarding state involvement has continued to be an issue for college leaders (Dunderstadt, 2001; Tollefson and Fountain, 1992; Vaughan, 1981; Wellman, 2006). Thus, the perception of community college leaders regarding the impact of the accountability measures and performance standards upon local governance and decision making is an important factor in the relationship between legislative policy makers and educational leaders.

As discussed in preceding chapters, there has been much debate regarding the appropriate level of state involvement in local institutional decision making. While the state legislature has a responsibility to ensure the effective and efficient use of state funds (Berdahl, 1999; Richardson & de los Santos, 2001; Wellman, 2006; Zusman, 2005), community college leaders feel the need to protect local autonomy in order to best serve local constituents (Cohen, 1975; Dunderstadt, 2001; Richardson & de los Santos, 2001; Tollefson and Fountain, 1992; Wellman, 2006; Vaughan, 1981). Given this debate and the stance of many educational leaders, a straightforward question about the impact of potentially impinging legislation may have evoked obviously anticipated answers from various respondents depending on their viewpoint of the broader issue of legislative encroachment. Thus, in order to better ascertain the impact of the accountability measures and performance standards legislation, this study examined the issue with respect to defined institutional responsibilities.

Two reports issued by the Carnegie Commission on Higher Education (1971, 1973) were the foundation for the delineation of state and institutional responsibilities. Based on these reports, other relevant literature, and input from several noted scholars in
community college leadership, institutional responsibility was defined for this study in terms of the following functions: (a) budget management and allocation of resources for specific purposes; (b) individual student selection; (c) selection and promotion of faculty, establishment of academic policies including those policies that ensure academic freedom, and selection of academic and administrative leadership; and (d) establishment of specific academic programs. This definition of institutional responsibility was used to establish a standard for examining the impact of the accountability measures legislation. In an effort to garner responses that were unbiased by the respondents’ perceptions of state encroachment, questions were posed in terms of the impact that the accountability measures legislation had on these identified institutional functions with no specific mention of legislative or state intrusion.

The findings, based on interview responses from community college leaders, indicated that the institutional functions most affected by the establishment of accountability measures and performance standards are (a) student selection in terms of admission to specific programs and (b) establishment of academic programs; there was minimal perceived impact on (c) decisions regarding selection and promotion of faculty and academic leadership and establishment of academic polices and (d) budget management and allocation of resources. The following narrative provides in depth discussion of the perceived legislative impact on each of these functions.

Perceived Impact on Individual Student Selection

The Carnegie Commission on Higher Education (1971, 1973) proposed that the state should set general policies on student admission including total enrollment numbers,
equality of access, and general eligibility requirements, while the institution should be responsible for individual student selection. Based on interview responses of community college leaders, individual student selection is a local college function that has been influenced by the state mandated accountability measures and performance standards.

For North Carolina community colleges, student selection is based upon an open door admission policy. According to North Carolina Administrative Code, Title 23, Community Colleges, “Each college shall maintain an open-door admission policy to all applicants who are high school graduates or who are at least 18 years of age. Student admission processing and placement determination shall be performed by the officials of each college” (North Carolina Administrative Code, 23 NCAC 02C .0301). Thus, there are no selective admissions criteria; any student who has earned a high school diploma or General Education Development (GED) certificate or who is at least 18 years old is admitted to the college. However, admission to the college does not ensure admission to a specific academic program. For all curriculum programs and for some continuing education courses, students are required to take placement tests to assess their academic skills in reading, English, and mathematics. Students who do not meet required minimal test scores must take one or more pre-college-level developmental courses prior to enrolling in specific academic programs or courses. Furthermore, some curriculum programs with limited enrollment capacity have additional admission requirements.

Based on interview responses of community college leaders, admission to specific curriculum programs or continuing education courses has been affected by the accountability measure for licensure and certification examinations. The licensure and
certification accountability measure is the percentage of first-time test takers who “pass an examination required for North Carolina licensure or certification prior to practicing the profession” (North Carolina Community College System, 2006, p. 8). The performance standard for each college is a minimum passing rate of 70% on any single reported examination and an aggregate institutional passing rate of 80% for all reported examinations. Thus, in order to meet the performance standard, a college must have a minimum passing rate of 70% on each individual licensure or certification examination administered for its programs or courses; in addition, the college must have a minimum overall average passing rate of 80% on all administered licensure and certification examinations.

In order to improve the passing rate for required licensure and certification examinations, a number of colleges have implemented admission requirements for programs or courses which have a required state examination such as Basic Law Enforcement Training, Emergency Medical Technician, Cosmetology, Nursing, and Real Estate. While many colleges had admission requirements for some of these programs prior to the accountability measures and performance standards, a number of colleges modified or implemented additional admission requirements as a result of the accountability measures legislation. As one college administrator stated, “I believe one consequence of it for all of us as a whole was to take a very hard look at our admissions policy and to make sure that we do everything we can to put those students in the programs who are most likely to be successful.”
A number of community college respondents indicated that their colleges had added developmental course requirements as admissions criteria to some programs. Several System Office administrators agreed that a number of individual campuses had reviewed and modified their placement testing policies and developmental course requirements for programs that lead to licensure. Reported changes included the addition of a developmental reading requirement as a prerequisite to a number of curricula or courses including Real Estate, Emergency Medical Technician (EMT), and Certified Nurse Aide (CNA). In addition, a mathematics requirement was added as a prerequisite to real estate courses. A System Office administrator suggested,

It did not affect their [local community colleges’] authority. However, many colleges did change some of their policies. The biggest is in the area of continuing education for programs like real estate and insurance. . . . It resulted in a lot of colleges for the first time putting in developmental requirements for continuing education students.

While a number of community college leaders acknowledged that the accountability measures and performance standards had caused local campuses to change various aspects of how students are admitted to certain programs, many of them also asserted that these were very positive changes. Several respondents indicated, “We should have been doing it anyway.”

Furthermore, several community college leaders, including System Office administrators, indicated that the accountability measures and performance standards could have influenced student selection to certain programs, specifically those programs
that lead to licensure, but they felt that selection criteria for such programs were in place prior to this legislation. Two presidents specifically stated that student selection on their campuses was not driven by the performance standards. Stressing this point, one of these presidents reported, “We set up our [program admission] standards, let’s say for nursing or dental assisting or any of those programs. . . . We set those up so that it’s for the good of the program, not to pass a performance standard.” However, the other president, while indicating that student selection was not driven by the performance standards, acknowledged, “I think it is causing us to begin to think about ways that we can help steer students into careers that they may be more successful in.”

As indicated in the preceding narrative, while not all respondents agreed, a number of community college leaders indicated that colleges had implemented more stringent admission requirements for those programs or courses that lead to licensure or certification in order to improve passing rates and enhance their ability to meet the performance standard for licensure. Some presidents indicated that the issue of restricting admission was a more critical matter for colleges located in areas of deprived socioeconomics. One president of a mid-size college indicated that on his campus, for most programs with licensure requirements, there was a limited enrollment capacity. Reporting that there were typically a number of students who exceeded the minimal admission requirements but were not admitted due to the limited enrollment, he stated that the students who were admitted were the “cream of the crop” and as such, were typically successful on the licensure or certification examinations. In comparison, another president spoke about the difficulty for colleges in rural or impoverished areas to attract
students with strong academic backgrounds. As a result these colleges may be faced with the choice of denying admission to a program or admitting students who may have difficulty passing a licensure or certification exam. With specific reference to Emergency Medical Technician (EMT) training, this president stated,

So I had a discussion with one of the State Board members who was very big on this test score thing and I asked her, ‘If you’re going down to the beach on I-40 and have a wreck, [by whom] would you rather be cared for, an EMT who had to take the test two or three times or lay there and die because nobody [could get through the program].

This comment reflects the concern among some educators with regard to changes in admission requirements for specific programs. In setting these program admissions requirements, if a college admits students with marginal success in terms of previous academic performance, it may hinder the college’s ability to meet the performance standard for licensure exams. The alternative is to impose more stringent program admission requirements which some community college leaders view as closing the open door.

Others, however, have a different perspective. A System Office administrator indicated,

Now the fear has always been that these performance measures would cause colleges to start closing that open door... You have two ways you can go. You can let people into [a program]... that you think may not be successful but you want to give them a chance. ... Well if you do that your passing rate may be a
little bit lower. Whereas if you only admit people you know are going be successful, then you’ll have a higher pass rate. Well that closes the door on some students. . . . [But] I don’t think it’s closed the open door. I hope it’s helped us redefine the open door and what the open door means. The open door shouldn’t be an open door to failure. It should be an open door to success.

To summarize, individual student selection is one of the functions defined by this study as an institutional responsibility. While North Carolina community colleges operate under an open door admissions policy, clearly, the implementation of accountability measures and performance standards caused some colleges to change the admissions criteria for certain programs. Most respondents perceived these changes as positive. There is a valid argument that implementation of stricter admissions criteria enhances student performance by ensuring that students have the necessary skills to succeed prior to enrolling in certain programs or courses; furthermore, the colleges offer remedial courses to help students meet the admissions criteria. However, several respondents raised concern that stricter program admissions requirements may limit access to these programs for marginal students who could perhaps be successful.

*Perceived Impact on Establishment of Specific Academic Programs*

In accordance with the definition of institutional responsibility developed for this study, establishment of specific academic programs is another function that should be in the purview of individual colleges. Addressing academic programs, the Carnegie Commission on Higher Education (1971, 1973) states that public authority may set policy to differentiate the functions among systems of higher education and
specialization in major fields among institutions; however, individual institutions should have the authority to establish specific academic programs, approve individual courses and course content, establish grading policies, and determine the issuance of individual degrees. Based on the findings of this study, this is a second institutional function that has been significantly influenced by the accountability measures and performance standards legislation.

As described previously, the accountability measures and performance standards legislation also included performance budgeting which allows colleges that meet required performance standards to carry forward into the next fiscal year a small percentage of its fiscal year General Fund appropriations. The legislation was very specific with respect to the use of all carry forward funds. According to Chapter 115D of the North Carolina General Statutes (2005), these funds “shall be used for the purchase of equipment, initial program start-up costs including faculty salaries for the first year of a program, and one-time faculty and staff bonuses” (p. 48). Several community college respondents indicated that a positive effect of the accountability measures legislation was the availability of carry funds for new program start up. Since North Carolina community colleges are funded based on program enrollment for the previous year, these respondents explained that funding for the establishment of new programs was not readily available; during the first year, a new program is an additional expense that must be absorbed into the college’s annual budget. Thus, performance budgeting provides the opportunity for a college to have carry over funds that can be used to fund new programs.
Establishment of new programs has also been affected by the accountability measure for program enrollment as well as the accountability measure for passing rate on licensure and certification exams. As described in the preceding section, in order to meet the performance standard for licensure and certification exams, a college must have a minimum passing rate of 70% for first time test takers on any single reported examination and an aggregate institutional passing rate of 80% for all reported examinations. An additional accountability measure is the annual unduplicated headcount enrollment in a curriculum program. The performance standard for this accountability measure is a minimum of 10 students as a three-year average annual headcount. While the accountability measure for licensure and certification is one of the required measures for performance budgeting, program enrollment is not one of those required measures. However, a college must provide justification for maintaining a curriculum program that does not meet the program enrollment performance standard.

Several interview participants indicated that because of the accountability measures and performance standards, colleges have taken “a real hard look” at establishing new programs to ensure that the program will be able to sustain enrollment. In addition, they explained that colleges have been particularly attentive to the establishment of new programs that have licensure or certification exams; these programs must be high quality in order to enhance student success on these examinations and enable the college to meet the required performance standard. With respect to program startup, one president responded,
We think, “What does the community need? Is there a compelling need for this program?” Those are the kinds of things you think about. Then you say to yourself if its’ a licensed program, “This program has to be good enough, I have got to make sure that it’s good enough,” which you want it to be anyway, “so that it does not impact on my licensure score and critical success factors.”

Although the accountability measures legislation has had an impact on the establishment of academic programs as describe above, interview responses indicated that there has been a much greater impact on program closures. A number of community college respondents, including System Office administrators and college presidents, indicated that some colleges closed certain programs because they could not meet the performance standard for licensure and certification. Specific programs cited included Real Estate, Insurance, and Emergency Medical Science (EMS.) One president responded,

And so I think that the performance measure [licensure requirement] in that case could be one of the evaluators to help you determine if that program is doing really, really well and we need to expand it. Or if it is dying, you need to try to save it or make a decision two or three years from now to close it. So I think it could be one of the indicators.

A System Office administrator gave a more pointed response,

You have two choices, put the effort and resources into improving the program so you can meet the standard or saying this program really isn’t that important to the
mission of our institution; therefore we’re going to close the program down. And a number of schools have taken that second option.

While some colleges chose to close certain programs, another reaction, according to several community college respondents, was that colleges chose to move some of the licensure programs, such as real estate, from curriculum to continuing education.

In addition to the performance standard for licensure, several community college leaders indicated that the performance standard for enrollment had also affected program closures. Referencing program enrollment, one president responded, “That has forced colleges to bite the bullet and eliminate some programs.” This president went on to further clarify, however, that in all cases of program closure in which he had been involved, they were low enrollment programs that needed to be eliminated.

Two community college administrators, including a president, discussed several low enrollment programs that they had strongly defended. In two cases, the programs failed to meet the performance standard for enrollment, but the programs consisted of courses that supported other curricula and thus, did not require additional resources. In both of these cases, the colleges were able to maintain the programs and still meet the program enrollment performance standard. In another situation, the low enrollment program was closed, but changes were made to continue to offer desired courses as part of a different program. In one case, the college continued to offer a low enrollment program even though it prevented the college from meeting the performance standard. It should be reiterated that program enrollment is not one of the accountability measures
that affects performance funding; thus, there is no financial penalty for not meeting the standard.

Several respondents indicated that program enrollment was more problematic for smaller colleges. This was reflected in the response of a small college president who indicated that his college struggled to maintain enrollment in some programs that he believed were valuable to his college. Referencing an Environmental Science program he stated,

We keep feeling and believing that’s got potential to really do well for us, but we can never seem to get more than six or eight students at a time…. So that one’s a real struggle for us. You know, it makes me look at Environmental Science and say, “Look we better do something. We’re either going to close it.” So yeah, it does impact whether we keep programs or not…. I think there you see, this may force us to close a program that has potential for our community.

While many respondents indicated that the accountability measures and performance standards had an impact on the establishment and, more profoundly, the closing of specific curriculum programs, some disagreed. One System Office administrator stated that program closures were governed by budget decisions on each campus, not the accountability measures. Several community college leaders, including System Office administrators, indicated that regardless of accountability measures, individual colleges assume responsibility for conducting program assessment through curriculum review procedures established on individual campuses and through those processes make determinations about program closures. Reflecting this stance, a college
president responded, “Mostly our process for closing programs operates out of our program review situation. And after we tag a program, then we try to do something to make it better, and if that doesn’t work then we close it.”

In summary, establishment of specific academic programs is one of the functions defined by this study as an institutional responsibility, and clearly this function has been influenced by the state mandated accountability measures and performance standards. With respect to establishment of new programs, this impact has been positive in that for those colleges who meet the required performance standards, performance budgeting has provided carry forward funds that have been used for new program start up. However, the accountability measures legislation has also resulted in program closures at some colleges.

According to some respondents, in order to meet performance standards, some colleges were compelled to close programs or abandon courses that were potentially important for serving the community. However, other respondents indicated that such decisions were simply good management decisions regardless of accountability measures and performance standards. Acknowledging that the accountability measures and performance standards had resulted in the closure of some programs, one System Office administrator stressed, “It’s hard for me to really see that you’re going to offer a program where a significant portion of your students are going to be unsuccessful and really want to offer that program.” Similarly, a college president stated, “You cannot afford to run a marginally operating program, whether it’s marginal in quality or whether it’s marginal...
in students, in passing exams or enrollment or whatever. You can’t afford to run it, you
don’t have the latitude.”

Perceived Impact on Selection of Faculty and Academic and Administrative Leadership
and Establishment of Academic Policies

A third factor defined by this study as an institutional responsibility is selection
and promotion of faculty, establishment of academic policies including those policies that
ensure academic freedom, and selection of academic and administrative leadership.

According to the Carnegie Commission on Higher Education, public authority is
responsible for establishment of policies that ensure equal employment opportunities for
women and minority groups, while the institution is responsible for actual selection and
promotion of faculty, establishment of academic policies for the faculty, and selection of
academic and administrative leadership (Carnegie Commission on Higher Education,
1973). The Commission further states that the institution should maintain responsibility
for the establishment of policies that ensure academic freedom.

Based on interview responses, the accountability measures legislation had no
perceived impact on selection and promotion of faculty or selection of academic and
administrative leadership. All respondents indicated that the existence of accountability
measures and performance standards had minimal or no effect on these functions.
However, several respondents did indicate that if a specific academic area consistently
failed to meet performance measures, attention would be given to identify mitigating
factors, such as the need for additional professional development or equipment upgrades,
and corrective measures would be taken.
With regard to academic policies, there was no perceived impact on academic policies per se. However, taking a slightly broader perspective, the accountability measures legislation has had an impact on certain academic processes. According to interviews with community college leaders, the state mandated accountability measures and performance standards have led to changes in how some colleges respond to several academic issues including student retention, tracking of college transfer students, and curriculum maintenance.

It was apparent from nearly all of the interview responses that there has been an increased focus on student retention. For example, the System Vice President of Academic and Student Services placed a great deal of emphasis on the increased student support made available to students. This support was in the form of improved tutoring services and academic advising and the addition of study skills and orientation courses. A college respondent indicated that his college had sought and received grant dollars to implement a study skills course requirement for new curriculum students. The course was piloted for students in two curriculum programs, and was being expanded to other programs as resources allow. Additional strategies implemented to enhance student success included student mentoring and supplemental instruction. Notably, the supplemental instruction was aimed at those programs that lead to a licensure exam which is evidence of a reaction to a specific performance measure.

A second academic issue that has captured a great deal of attention on individual campuses is performance of college transfer students after transfer to a four-year college. As described in preceding sections, there are twelve accountability measures. Of these
twelve measures, five are designated to be used for performance budgeting, and each college selects a sixth measure to be used for performance budgeting. One of the required measures for performance budgeting is the comparison of performance of community college associate degree students who transfer to public North Carolina (UNC) universities with performance of students native to the four-year institutions.

For the college transfer accountability measure, data are collected on two cohorts of students. One cohort consists of community college students who have completed the college transfer degree; the performance of these students at the end of two semesters at the public university is compared to the performance of native juniors. The second cohort consists of community colleges students who have completed at least 24 hours of college transfer courses at a community college but have not completed the college transfer degree; the performance of these students is compared to the performance of native sophomores. The performance standard is that performance of community college transfer students will be equivalent to the performance of native UNC sophomores and juniors as measured by the percentage of students with a grade point average (GPA) of 2.0 or higher after two semesters at a UNC institution.

According to the Associate Vice President of Planning, Accountability, Research, and Evaluation, colleges’ performance on this accountability measure has improved dramatically. A review of the performance data indicated that in 2000, only five colleges met this particular performance standard. By 2002, 17 colleges met the standard with 24 colleges recognized for significant improvement; in 2004, 27 colleges met the standard and 11 colleges made significant improvement. Based on responses from individual
colleges, the improved performance on the college transfer accountability measure may be attributed to improved instructional practices in college transfer programs, but it is primarily the result of better tracking methods. Nearly all college respondents indicated it was problematic to get data on the performance of college transfer students after transfer because of how data are reported. Since students transfer to various colleges and universities, it is difficult to get a large enough cell size to report data back from the university or senior college. To improve performance on this measure, colleges have begun working with independent colleges as well as the public universities and exploring alternative methods of getting data on the performance of transfer students.

The third academic issue that has been influenced by the accountability measures and performance standards is improvement of curriculum courses and programs to ensure that they are up-to-date and consistent with current academic practice. Based on interview responses of community college leaders, a particular focus has been developmental courses and curriculum programs that have licensure or certification requirements.

There are two accountability measures for developmental courses. One measure is the percent of students who complete developmental English, mathematics, or reading courses with a grade of "C" or better. The performance standard for this measure is 70% of students who complete a developmental course will have a grade of "C" or better for that course. The second measure is the performance of developmental students in subsequent college-level courses in comparison with non-developmental students in those courses. The performance standard for this measure is that there will be no
statistically significant difference in the performance of developmental students as compared to non-developmental students. Both of these accountability measures are required measures for performance budgeting.

Several respondents indicated that colleges had placed added focus on improving developmental courses in order to meet these two performance standards. As one college administrator indicated,

One consequence of it [accountability measures and performance standards] was for the institutions to take a much harder look at their approach to developmental and just how well our students were being prepared in that process. . . . And really developmental in my mind is probably one of the most important things we do. And I think one consequence of the performance measures, particularly those two [performance measures relating to passing rates in developmental courses and success rates of developmental students in subsequent college-level courses] have resulted in the institutions focusing more on the approach [to teaching developmental courses.] And then consequently, I think the bar has been raised and the quality of our developmental programs is better.

In addition to developmental courses, colleges have focused on improving the quality of programs that have licensure or certification requirements. Nearly all college respondents indicated that their colleges had focused on these academic areas; several individuals indicated that curriculum had been “beefed up” in such programs. Colleges have reviewed the academic content of these programs to ensure that it is consistent with the knowledge base of licensure and certification examinations. Furthermore, there was
an implication that colleges are more attentive to providing resources, such as equipment and faculty up-grade, for these programs in an effort to maintain program quality. According to a System Office administrator, “It has stimulated a number of discussions between curriculum leaders and external licensure agencies to realign our curricula with what the licensure agencies are testing. It has really helped us to fine tune our curricula.” Similarly, a college respondent acknowledged, “But we still, every year really put some emphasis on getting those [licensure] programs up to speed so they will pass both state and national. Now, I think you could find that kind of story at every college.”

Still referencing programs that lead to licensure or certification, other respondents indicated a change in how students are monitored as they progress through these curriculum programs. One president stated, EMT [Emergency Medical Technician] is another very good example where a lot of folks want to be an EMT, but they don’t have the academic background in anatomy and physiology or things of that nature and have a hard time grasping that material. And we basically now do an assessment as we go along and unless they pass each of the individual units, we don’t let them sit for the exam anymore. This respondent went on to clarify that while a student may be considered marginal based on previous academic success, he may “find something that really enthuses him and he all of a sudden becomes a success story,” and the college would not want to discourage the student or deny them that opportunity for success. So, as he explained, students are encouraged to gain as much as they can from the coursework but are monitored as they progress and carefully advised prior to taking the licensure exam.
To summarize, selection and promotion of faculty, establishment of academic policies including those policies that ensure academic freedom, and selection of academic and administrative leadership are functions defined by this study as institutional responsibilities. The accountability measures legislation has had no perceived impact on selection and promotion of faculty or selection of academic and administrative leadership. While there was no perceived impact on academic policies per se, some colleges have changed how they have responded to several academic issues as a result of the accountability measures and performance standards.

Interview responses indicated that a number of colleges have enhanced student support services including improved tutoring services and academic advising and the addition of study skills and orientation courses. In addition, colleges have made improvements in methods of tracking college transfer students after they transfer to four-year institution. Another academic issue that has been influenced by the accountability measures is curriculum upgrade. In response to specific accountability measures, some colleges have placed an emphasis on improving instruction in developmental courses. Furthermore, some colleges have focused attention on academic programs that lead to licensure or certification to ensure that the curriculum content is up-to-date and consistent with current academic practice.

**Perceived Impact on Budget Management and Allocation of Resources**

Budget management is yet another function identified by this study as an institutional responsibility. Discussing financial and business affairs, the Carnegie Commission on Higher Education states that public authority is responsible for the
appropriation of public funds based on general funding formulas; the establishment of
general standards for accounting practices; and a post audit of expenditures, purchases,
and personnel actions to ensure the effective use of resources (Carnegie Commission on
Higher Education, 1971, 1973). According to the Commission, the institution should
maintain responsibility for budget management and specific allocation of resources with
the freedom to make budgetary decisions regarding expenditures, purchases, and
personnel actions subject only to a post audit.

Based on interview responses, the establishment of the accountability measures
legislation had no perceived significant impact on budget allocation and management for
individual colleges. According to individuals who were involved in the development of
the accountability measures and performance standards, an intended “carrot” of the
legislation was to provide increased flexibility in budgeting. Indeed, several of the
presidents indicated that because carry forward funds can be used for one-time bonuses,
equipment, and new program start up, performance funding provides some degree of
increased flexibility in managing the budget for those colleges that meet the required
performance standards. However, all of the presidents that were interviewed indicated
that the accountability measures and performance standards had not significantly
influenced their local budgeting process.

A number of respondents clarified that performance funding did not generate
additional funds but rather allowed an individual college to carry forward a small
percentage of its annual budget allocation if it met certain performance standards;
previously all unused funds would have been reverted back to the state. Participants from
mid-size and large colleges acknowledged that in most budget years the opportunity to carry forward funds had enabled them to utilize money that they may have otherwise lost. However, presidents from small colleges indicated that based on how the data are measured and reported, it is very difficult for their colleges to meet some of the performance standards. Not meeting performance standards makes the college ineligible for carry forward funds, and as one president indicated, “That has nothing to do with how well we do our jobs.” In addition, one small college president remarked, “That’s a carry forward of any dollars you may have left on the table. Well when you’re a college my size you don’t have dollars left on the table.”

Summary of Perceived Impact

In summary, the accountability measures and performance standards had minimal impact on how budget decisions are made on individual campuses. For many colleges, it has resulted in access to dollars that would have otherwise been reverted back to the state and thus, provided a minimal level of increased flexibility in managing the budget. Small colleges, however, seem to be at a disadvantage when it comes to meeting the criteria to be eligible for carry forward dollars.

Similarly, there has been no apparent impact on selection and promotion of faculty or selection of academic and administrative leadership. However, there does seem to have been some impact on academic policies with an increased focus on student retention and enhanced student support functions, particularly for those programs that lead to licensure. In response to the accountability measures legislation, some colleges have improved instruction in developmental courses and have also strengthened the
curriculum for programs that lead to licensure and changed the requirements for student progression through these programs. In addition, there have been improvements in the tracking of college transfer students.

The areas in which accountability measures and performance standards have had the most significant impact are student selection, in terms of admission to specific programs, and establishment of specific academic programs. With regard to student selection, some colleges have altered their selection process for admission to certain programs, particularly those programs that lead to licensure. In addition, many colleges have modified placement testing policies and implemented additional developmental course requirements as prerequisites for specific courses and programs. As for academic programs, while the impact on establishment of new academic programs is minimal, there has been a more profound effect on program closures as a number of colleges have discontinued programs in which they repeatedly failed to meet the performance standards for licensure or minimum enrollment.

As reflected in the preceding discussions, many of the community college leaders viewed the changes that have occurred as a result of the accountability measures legislation as positive. Several however, raised concerns, most notably the apprehension of imposing too stringent program admissions requirements that may deny program access for potentially successful students. Regardless of the stance on this issue, it should be noted that many of the changes were aimed at programs or situations that directly impact performance on the accountability measures. One must raise the questions: “Why is student success or program quality more important for those programs with licensure
or certification examinations than other programs that do not have such requirements? Why is quality of instruction more important for developmental courses than other courses?” The fact that implemented changes were aimed at programs that lead to licensure or certification exams and other areas or functions that were assessed by the performance standards is an indicator of the state influence.

Chapter Summary

This chapter has presented the findings of this study in terms of (a) what circumstances led the state to enact legislation that mandated the performance evaluation of community colleges; (b) once the mandate was issued, what interaction took place between legislative policy makers and educational leaders to develop the accountability measures and performance standards; and (c) how did community college leaders perceive the impact of the legislation upon local campus governance. The following chapter provides a summary of the key findings of the research and discusses the implications for related theory, research, practice, and policy.
Chapter 5: Summary and Implications

Introduction

The relationship between legislative policy makers and educational leaders is complex and multifaceted. “The relationship between higher education and the state has become essential, but it has never been easy” (Lingenfelter, 2004, p. 47). Robert W. Scott, former governor of North Carolina, (1969-1973), who later served as President of the North Carolina Community College System (1983-1995), expresses his view on the nature of this relationship, “It was obvious, and still is, that educators and politicians as a whole do not recognize and understand the complex interaction of the many factors bearing on the educational decision-making process” (Scott, 1975, p. ii). At the core of this relationship is a long-standing debate regarding the level of authority and responsibility which should be assigned to the state versus that which should be assigned to individual institutions. Throughout the history of higher education, there has been a great deal of discussion with respect to this shifting balance of authority; Savage (1933) states that higher education during the period following the Revolutionary War was characterized by a “struggle between those, on the one side, who sought to perpetuate institutional control among colonial colleges long established and, on the other, who favored state control” (p. ix).

Since the 1970s, there has been a significant increase in state legislation that has a direct impact on local campus practice (Angel, 1982; Berdahl, 1999; Cohen, 2001; Duderstadt, 2001; El-Khawas & Rossman, 1987; Martorana & Garland, 1985; Martorana & McGuire, 1976; Martorana & Smutz, 1980; Richardson & de los Santos, 2001;...
This increased legislative action has been accompanied by a heightened concern among higher education scholars and leaders regarding the extent of state involvement (Cohen, 1975; Dunderstadt, 2001; Tollefson and Fountain, 1992; Vaughan, 1981; Wellman, 2006).

Legislative policy makers and educational leaders have different perspectives regarding their roles in governance of the local institution. The legislative goal is to ensure the efficient and effective use of state expenditures in higher education. At the same time, university and college leaders feel they can best respond to the needs of their primary stakeholders, and as such, seek to preserve local autonomy. Given these two points of interest, there is an obvious need to understand and foster the college-state relationship.

Using a series of legislative acts that established accountability measures and performance standards for North Carolina community colleges as a case study of state-mandated policy, this study examined the relationship between state authority and local governance in the context of a policy making environment. In 1989, the North Carolina General Assembly enacted legislation requiring the State Board of Community Colleges to define statewide measures of accountability for all community colleges in North Carolina (North Carolina Session Law, 1989, section 80). This was followed by 1993 legislation that called for the identification of measures that would be appropriate for assessing individual college performance and the establishment of corresponding institutional performance standards (North Carolina Session Law, 1993, section 109). In 1998, the General Assembly called for a review of the existing accountability model and

This series of legislative acts provided an opportunity to examine the interactions and relations between legislative policy makers and community college leaders. The research was guided by the following questions:

1. What circumstances led the state to enact legislation that influenced the governance of local community colleges?
2. What interactions took place between legislative policy makers and community college leaders as higher education legislation was developed?
3. How did community college leaders perceive the impact of state legislation upon local campus governance?

This chapter summarizes the key findings of the research and the conclusions drawn from these findings. It concludes with a discussion of implications for related theory, research, practice, and policy.

**Presentation of Key Findings**

The following narrative provides an overview of the key findings of the research. The primary focus of these findings include (a) the context of the changing policy making environment, (b) the relationships and interactions in policy making, and (c) the
perceived impact of state legislation upon local autonomy.

*Context of the Changing Policy Making Environment*

The relationship between legislative policy makers and educational leaders has been characterized by an ongoing tension that can be traced to the early history of this nation. However, the policy making environment has changed considerably during the last few decades as state legislators have become significantly more engaged in the formation of policy that has a direct impact on local campus decisions. The research conducted for this study suggests several issues that have influenced this changing relationship.

There were three primary factors that led the North Carolina General Assembly to pass legislation calling for accountability measures and performance standards for community colleges. One factor was an increased focus on fiscal responsibility. A second factor was a general concern for the quality of higher education, accompanied by a third factor of increased focus on outcomes assessment. A common thread for all of these factors was a general call for colleges to be more accountable for all functions.

*Focus on fiscal responsibility.* In North Carolina, as well as nationwide, the 1960s and early 1970s were an era of tremendous growth and expansion in the number of institutions and the number of students enrolled in higher education, particularly in the community college sector. Nationwide, from 1960 to 1980, the number of public two-year colleges increased by more than 100%, and the number of students enrolled in these colleges increased by approximately 700% (Cohen & Brawer, 1996). Reflective of this trend, the North Carolina General Assembly adopted the first Community College Act in
1957 and provided the first funding for community colleges and industrial training centers in that state; by 1969, there were a total of 54 institutions (North Carolina Community College System, 2007). Enrollment in these institutions grew by approximately 110% from 1966 to 1969 and continued to exceed a 10% annual increase nearly every year through the 1970s.

By the 1980s, the period of expansion was waning, and institutions were left contending for state funds. This competition for funds coincided with increased demands in other state service areas such as prisons and health care. As state budgets tightened and the funding for higher education was challenged, there was an increased focus on fiscal responsibility. Legislators wanted a better understanding of how funds were being utilized on local campuses. This resulted in a need for greater accountability to demonstrate that allocated funds were being utilized effectively.

In addition to a tightening state budget, part of the focus on fiscal responsibility was from a consumer advocacy perspective. Legislators wanted to ensure that taxpayers’ dollars were being used effectively and efficiently. They wanted to ensure that taxpayers were getting a good return on their investment of tax dollars in the community college sector of higher education.

**Concern for quality of education.** A second factor was an increased concern at the national, state, and local levels regarding the overall quality of education. Stimulated, at least in part, by the 1983 report, *A Nation at Risk*, all levels of education came under public scrutiny. For North Carolina community colleges, much of the public concern was focused on (a) the quality of programs and passing rates on licensure and certification
exams and (b) management practices, particularly with respect to allocation of resources to specific programs.

With regard to quality of programs, data that were reported to the North Carolina Community College System Office and eventually to the legislators indicated that some colleges with low passing rates on certain exams continued to have low passing rates year after year. In the view of legislative policy makers, colleges were not doing enough to improve performance in such areas. Even after initial legislation was passed calling for accountability measures, legislators still did not see the desired improvement in performance at some colleges.

In addition to concern for quality of programs, the general disquiet for quality of education was influenced by a legislative concern with management practices at some colleges. In some isolated cases, funds that were appropriated by the legislature for one purpose were actually allocated at the local level to support other college functions or services. In other cases, there was ongoing allocation of resources to low enrollment or low performing programs. These situations inflamed the concern for the quality of education.

*Focus on outcomes assessment.* The increased focus on fiscal responsibility and the concern for quality of education was accompanied by a national and state-level shift to outcome-based assessment with specific attention to quality of performance. At the national level, the accountability movement was guided to a large extent by the Southern Association of Colleges and Schools (SACS) and corresponding regional accrediting agencies. In the mid 1980s, SACS began to place greater emphasis on institutional
effectiveness and outcomes assessment; a criterion for accreditation was that each college have an institutional effectiveness plan. This focus on outcomes assessment was echoed in national reports from the American Association of Community and Junior Colleges.

At the state level, the shift in assessment was reflected in the public school sector by the legislative enactment of the School-Based Management and Accountability Program known as ABCs; this program implemented new accountability measures for secondary education. In the community college sector, state-level reports from the Commission on the Future of the North Carolina Community College System and the Government Performance Audit Committee (GPAC) made recommendations regarding outcomes assessment. From these commissions, as well as the national agencies and commissions cited above, there was a call for colleges to be accountable in fulfilling their declared missions and demonstrating the accomplishment of stated outcomes of instructional programs.

Summary – a call for greater accountability. To summarize, there were three primary factors and forces that led the North Carolina General Assembly to enact legislation that established accountability measures and performance standards for the state’s community colleges: (a) increased focus on fiscal responsibility, (b) general concern for the quality of education, and (c) focus on outcomes assessment. A common thread for all of these factors was the need for accountability. The state-mandated accountability measures and performance standards for North Carolina community colleges mirrors the situation described by Laanan (2001),
Like the rest of higher education, the most immediate challenges facing community colleges are . . . the growing demands for responding to accountability mandates, both at the federal and statewide levels. Community colleges are facing greater expectations to demonstrate their effectiveness as educational institutions (p. 57).

Cox (as cited in Laanan, 2001) describes accountability as “a response to legislative mandates calling on educational institutions to become more accountable for monies spent” (p. 59). Similarly, Hudgins and Mahaffey (as cited in Laanan, 2001) define accountability in terms of the extent to which college leaders are able to demonstrate to various constituents the implementation of the college mission in a cost-effective manner. Laanan (2001) points out that state policy makers are interested in the quality and cost effectiveness of higher education and identifies two prevalent issues: (a) increasing cost of public higher education combined with limited state resources and (b) academic preparation of students, particularly with regard to graduates having the knowledge and technical skills to compete in a global economic work force.

Citing North Carolina as an example of a recently implemented accountability initiative, Laanan (2001) explains,

In the last decade, numerous state community college systems have developed accountability systems. The common theme among state systems is the need to report specific performance measures in an effort to demonstrate institutional effectiveness across different indicators, as reflected in their stated missions (p. 62).
The state-legislated establishment of accountability measures and performance standards for North Carolina community colleges is clearly reflective of a nationwide trend. As suggested by Laanan (2001), “For community colleges, responding to accountability mandates has taken center stage” (p. 60).

This section has examined the context of the policy making environment by summarizing the factors and forces that led the North Carolina General Assembly to pass legislation that established state-mandated accountability measures and performance standards for the state’s community colleges. The focus of the following section is the relationships and interactions that take place in policy development.

**Relationships and Interactions in Policy Making**

A number of scholars have written about the shifting level of authority between state governance and local autonomy, and several studies have examined the focus of enacted legislation. However, little has been written about the nature of the relationship between legislative policy makers and educational leaders or the interactions between these two entities.

Based on the research conducted for this study, much of the interaction involved in the development of educational policy takes place between educational leaders and the legislative aides that serve as staff to the legislature. These legislative staff members have a significant influence in the development of policy. Furthermore, in some cases, community college leaders have considerable input in the policy making process. The following sections summarize the interactions and relationships between legislative policy makers and community college leaders as policy was developed and implemented.
for North Carolina Community Colleges. Appendix C provides a summary of the legislative acts including the committees and task forces that were involved in the development of the accountability measures and performance standards.

*Initial policy development.* In the period prior to the establishment of the accountability measures and performance standards, the relationship between legislative policy makers and community college leaders might be characterized as one of mutual respect but rather laissez-faire. Local community college presidents had a reasonable amount of autonomy within their given budget constraints, and legislators made minimal inquiries into local campus functions; the philosophy of many community college leaders was “give us the money and let us tend to our own business” and the state seemed willing to do so. If the North Carolina Community College System Office had concerns about college performance, there were no apparent authoritative measures taken to instigate change. The primary interaction between the legislature and the college leaders was centered around community college requests for increased state budget allocations, and once the legislature made an allocation to the Community College System, funds were granted to individual colleges based on enrollment. The relationship between these entities changed throughout the development of the accountability measures legislation.

There were several legislative acts that led to the establishment of state-mandated accountability measures and performance standards for North Carolina community colleges. In 1989, the General Assembly enacted legislation calling for the State Board of Community Colleges to develop “critical success factors” that would define statewide measures of accountability for all community colleges. This legislation also called for
each college to develop an institutional effectiveness plan. While the legislature mandated the establishment of the accountability measures, the development of the measures was left to the State Board of Community Colleges.

In response to this legislation, six critical success factors were developed to measure community college performance. The initial set of measures was developed by the North Carolina Community College System Office staff with input from the System Planning Council. Established by the System Office President, the System Planning Council was a standing committee consisting of representatives from local colleges including trustees, presidents, and administrators. The initial list of accountability measures was circulated to the North Carolina Association of Community College Presidents to garner input from individual colleges. Thus, the development of the accountability measures was guided by the System Office staff with input from local colleges through the System Planning Council and the Presidents Association. The final list of six critical success factors was submitted to and adopted by the State Board of Community Colleges in July 1989.

During this period of initial policy development, there was continued mutual respect between legislative policy makers and community college leaders, but with the beginning of some apprehension. Clearly, the legislature was calling for increased accountability from local colleges. This raised concern for local community college leaders, but through their input in the development of the measures, they sought to minimize any negative impact on local autonomy.
Contested policy implementation. The first annual report, Critical Success Factors for the North Carolina Community College System, was published in 1990. This report, which was distributed to the legislature and to each individual college, consisted of system-level data and stated, “The critical success factors developed by the State Board are to measure the system, not individual colleges” (North Carolina Department of Community Colleges, 1990, p. 1).

The publishing of the data was a real point of contention for community college presidents. Believing firmly that individual college performance was a local issue to be handled by local boards of trustees and local college administrators, they were adamant that the Critical Success Factors reports should contain system-level data only.

Legislators, however, recognized that with system-level data, low performance data were off-set by high performance data, and they were interested in knowing how individual colleges performed; they wanted to know how the college in their individual district compared with other colleges across the state. As stated in a preceding section, the legislative call for greater accountability was influenced by a heightened focus on fiscal accountability as well as a general concern for the quality of education at all levels. The push for college-level data was also significantly influenced by the Community College Fiscal Research Analyst who served as staff to the General Assembly and had considerable influence in the drafting of legislation. During the 1980s, this individual served on the Commission on Colleges of the Southern Association of Colleges and Schools which was placing increased emphasis on outcomes assessment. All of these factors influenced the legislative call for college-level data.
The debate over the publishing of college-level data created a great deal of tension in the relationship between local community college leaders and legislative policy makers, particularly the Fiscal Research Analyst. In the middle of the deliberations between the legislative push to have individual college data published and the college presidents’ drive to have only system-level data published, there was the North Carolina Community College System Office. Although the System Office was empathetic with the viewpoint of the presidents, its stance was to do what the legislature requested. Thus, while the second report, 1991 Critical Success Factors for the North Carolina Community College System: Second Annual Report, was published with only system-level data (North Carolina Department of Community Colleges, 1991), the third report, 1992 Critical Success Factors for the North Carolina Community College System: Third Annual Report, contained “data for the system as a whole and for individual institutions where appropriate” (North Carolina Department of Community Colleges, 1992, p. i). Seemingly, the presidents had lost their battle.

*Follow-up policy development.* The legislators’ pursuit for individual college-level data created significant conflict. Interestingly, most of the discontent on the part of local community college leaders was aimed at the Fiscal Research Analyst. The relationship between local college leaders and the System Office seems to have been one of mutual respect and support. Furthermore, the relationship between the System Office and the Fiscal Research Analyst and the legislature seems to have been amicable with a great deal of mutual respect.
Given the resistance from local community college leaders regarding the publishing of individual college-level data, the General Assembly codified this requirement by enacting additional legislation. In 1993, the General Assembly passed legislation that called for the establishment of college-level performance standards for those critical success factors that could be “appropriately measured.” In addition, the legislation stated that each college must report its performance to the State Board of Community Colleges; colleges that failed to meet any of the standards in any year had to report to the State Board the reasons for performance below the required level and submit a plan for improvement.

In response to this legislation, the System Office President appointed the Accountability Task Force consisting of representatives from the State Board of Community Colleges, the System Office, and local colleges. Working with the Community College Fiscal Research Analyst, the task force reviewed the existing accountability measures, identified a preliminary list of those measures that would be appropriate for measuring individual college performance, and proposed a performance standard for each measure. The proposed list of measures and performance standards were presented to the North Carolina Association of Community College Presidents and the Executive Committee of the North Carolina Community Colleges Trustees Association for discussion and feedback. The final list of measures and performance standards was presented to and approved by the State Board of Community Colleges in April 1994.
In light of the resistance from local colleges regarding the college-level performance data, there was an obvious need for the System Office President to seek their involvement in the development of college-level measures and corresponding performance standards. This input was provided through representation on the task force and through the Presidents Association. However, there continued to be significant resistance and unwillingness on the part of community college presidents to truly embrace the concept of college-level measures.

In the succeeding years from 1994 through 1997, the North Carolina Community College System Office continued to work with individual colleges to collect data and prepare the annual Critical Success Factors reports. Yet, there was continued concern on the part of legislators and the Community College Fiscal Research Analyst regarding accountability at the local level. Certainly, the intent of establishing college-level measures and performance standards was to improve individual college performance. Based on the reports, the legislators recognized patterns of repeated low performance; some colleges failed to meet certain performance standards year after year with no apparent progress toward improvement. From the legislative perspective, community college presidents were merely reporting the data and not using the data to implement changes for improved performance. Thus, there was concern that some colleges still were not adequately meeting the needs of constituents, and this concern eventually led to additional legislation.

_Culminating policy development._ In 1998, the General Assembly enacted legislation that called for a review of the existing accountability model and the
establishment of a new system of accountability. In the preceding nine years, the legislators had enacted two legislative mandates calling for increased levels of institutional accountability. However, they were not satisfied with the manner in which local colleges had responded. The tension of this situation was reflected in the 1998 legislation,

The General Assembly finds that the current annual program review standards are not adequate to ensure that programs are meeting the needs of students, employers, and the general public; therefore, the State Board of Community Colleges shall review the current standard to ensure a higher degree of program accountability and shall establish appropriate levels of performance for each measure based on sound methodological practices (North Carolina Session Law, 1998, section 10.5).

The local institutions of the North Carolina Community College System shall comply with annual reporting requirements established by the State Board of Community Colleges; therefore, the State Board of Community Colleges shall develop an action plan to improve the timeliness and accuracy of the data that are required to be reported to the State Board by each institution. This plan shall include withholding State funds from the institution if an institution is not in compliance (North Carolina Session Law, 1998, section 10.8).

Responding to this legislation, the System Office President appointed the Performance Measures and Standards Task Force and the Performance Funding Implementation Task Force. Both task forces consisted of representatives from the North
Carolina Community College System Office and presidents and administrators of individual community colleges. The Performance Measures and Standards Task Force also included a representative from the State Board of Community Colleges. Thus, individual colleges had representative input in the development of the new accountability model.

The Performance Measures and Standards Task Force worked with the North Carolina Association of Community College Presidents and the Community College Fiscal Research Analyst for the North Carolina General Assembly to develop twelve accountability measures and performance standards for each measure. The Performance Funding Implementation Task Force also worked with the Presidents Association and the Fiscal Research Analyst to develop an action plan for implementing a performance funding model that would provide a financial incentive to colleges that met the minimum required performance standards.

There was a great deal of discussion and debate during this phase of development. The primary contention continued to be between the community college presidents and the Fiscal Research Analyst; the presidents resisted, and the Fiscal Research Analyst pushed. In spite of the conflict, however, several of the presidents indicated that they had considerable influence on how the accountability measures were written and the establishment of the performance standards.

The recommendations from both the Performance Measures and Standards Task Force and the Performance Funding Implementation Task Force were presented to and approved by the State Board of Community Colleges. In 1999, legislation was enacted
that established the twelve recommended accountability measures and corresponding performance standards. This legislation also included performance budgeting for colleges that met required performance standards. Follow-up legislation in 2000 made minor revisions and outlined how individual college performance should be published. The details of the policy established by this legislation are included in Appendix G.

Summary of interactions and relationships. The 1999-2000 accountability measures and performance standards for North Carolina Community Colleges came to fruition through a series of legislation enacted over a ten-year period. The initial legislation in 1989 called for statewide measures of accountability for all of the state’s community colleges. This was followed by 1993 legislation calling for the identification of measures that would be appropriate for assessing individual college performance and the establishment of corresponding institutional performance standards. In 1998, the General Assembly called for a review of the existing accountability model and mandated the establishment of a new system of accountability measures and performance standards. This resulted in the twelve accountability measures and performance standards established by the 1999 legislation with minor additions and revisions enacted in 2000. The 1999 legislation also included performance budgeting for colleges that met required performance standards.

With each legislative act, the legislators made a specific mandate but left it to the North Carolina Community College System to actually develop the accountability measures and performance standards. In each case, the System Office President charged a specific committee or task force to guide the development process. Consisting of
representatives from the System Office, presidents, administrators, and trustees from individual community colleges, and, in some cases, representatives from the State Board of Community Colleges, these committees and task forces enabled broad-based participation and input into the development of the accountability measures and performance standards. The North Carolina Association of Community College Presidents also had significant input into the development process.

All of the legislation was heavily influenced by the Community College Fiscal Research Analyst who served as staff to the General Assembly. Throughout the development of the accountability measures and performance standards, this individual worked closely with the task forces and community college presidents, at times with considerable tension and discord. While both the Fiscal Research Analyst and the community college presidents spoke respectfully of the other, the friction was evident. The Fiscal Research Analyst spoke of a “predisposition to the . . . status quo.” Conversely, although a number of the community college presidents and task force members acknowledged the significant contribution of the Fiscal Research Analyst to the development of the accountability model, there was indication from some respondents that this individual was dogmatic in imposing her ideas on the Community College System and used the legislature to do so.

While, the preceding section summarized the findings with respect to the circumstances surrounding the development of legislative policy, this section has recapped the findings relating to the relationship and interactions between legislative policy makers and educational leaders. The following section focuses on the impact of
state legislation on local campus governance from the perspective of community college leaders.

Perceived Impact of State Legislation upon Local Autonomy

The interviews and review of related documentation suggested a shift in the policy making environment to a more directed and officious policy formulation. This shift, in turn, has had an impact on the relationship between legislative policy makers, who are primarily responsible for policy development, and educational leaders, who are primarily responsible for policy implementation.

At the core of this relationship is the long-standing debate regarding the appropriate level of state involvement in local institutional decision making. While the state legislature has a responsibility to ensure the efficient and effective use of state funds, community college leaders feel the need to protect local autonomy contending they can best serve the needs of local constituents. Although there has been much discussion regarding this balance of authority, there are no clear delineations. Given this ambiguity and the contention surrounding who should maintain what responsibilities, perceived impact of potentially impinging legislation may be biased based on the viewpoint of the respondents. Thus, in order to better ascertain the impact of the accountability measures and performance standards legislation, the study examined this impact with respect to defined institutional responsibilities.

Two reports issued by the Carnegie Commission on Higher Education (1971, 1973) were the foundation for the delineation of state and institutional responsibilities. Based on these reports, other relevant literature, and input from several noted scholars in
community college leadership, institutional responsibility was defined for this study in terms of the following functions: (a) budget management and allocation of resources for specific purposes; (b) individual student selection; (c) selection and promotion of faculty, establishment of academic policies including those policies that ensure academic freedom, and selection of academic and administrative leadership; and (d) establishment of specific academic programs. According to the Carnegie Commission on Higher Education, decisions with respect to these functions should be preserved for the local institution. This understanding of institutional responsibility established the framework for exploring how community college leaders perceived the impact of the accountability measures legislation upon local campus governance.

The research conducted for this study suggested that the identified institutional functions on which accountability measures and performance standards have had the most significant impact were (a) student selection in terms of admission to specific programs and (b) establishment of specific academic programs. A third institutional function that was influenced to a lesser extent by the accountability measures legislation was establishment of academic policies. For each of these areas, local governance decisions were influenced by the state-legislated mandate.

*Student selection.* North Carolina community colleges operate under an open door admission policy; any student who has earned a high school diploma or General Education Development (GED) certificate or who is at least 18 years old is admitted to a college. Admission to the college, however, does not ensure admission to a particular academic program, and some colleges have altered their selection process for admission
to certain programs in order to improve performance on the accountability measures; this is particularly true for those programs that lead to licensure or certification.

In many cases, the additional or modified admission requirements involved placement testing. All curriculum students are required to take placement tests to assess their skills in reading, English, and mathematics. Based on these test results, students may be required to take one or more developmental courses prior to enrolling in certain curriculum courses or programs. While placement testing has been a requirement for curriculum courses and programs for many years, it has not necessarily been a requirement for continuing education courses. However, to improve performance on accountability measures, a number of colleges have implemented placement testing and development course requirements for some continuing education courses that lead to licensure or certification. In addition, some colleges have implemented higher level developmental course requirements for certain curriculum courses or programs, particularly those that lead to licensure or certification.

Student selection is identified by the Carnegie Commission on Higher Education as a function that should be preserved for local decision making. The state-legislated accountability measures and performance standards did not dictate how students should be admitted to specific academic programs. However, given an accountability measure and performance standard for minimal passing rate on licensure and certification exams, many community colleges responded by being more selective in terms of student access to academic programs with licensure and certification requirements. Thus, a local governance decision was influenced by the state mandate.
Establishment of specific academic programs. The establishment of academic programs is a second function identified by the Carnegie Commission on Higher Education as an institutional responsibility that has been influenced by the accountability measures legislation. The accountability measures legislation had minimal perceived impact on the establishment of new academic programs. For some colleges, the availability of carry forward funds has provided additional start-up funds for new programs. At the same time, however, colleges have been cautious in establishing new programs, particularly those that involve licensure or certification; they must ensure that these programs will be able to meet the required performance standards.

The significant impact of the legislation on academic programs was in relation to program closures. A number of colleges have discontinued programs in which they could not meet the performance standard for pass rate on licensure and certification exams. In addition, colleges have closed programs that have failed to meet the performance standard for minimum enrollment. Program closures seem to have been more problematic for small colleges that have lower program enrollment in general. In some cases, these colleges have closed programs that may have met a local need but failed to meet the state-mandated accountability measures and performance standards.

Similar to discussion in the preceding section, the state legislature did not mandate the closure of academic programs. However, many community colleges opted to close programs that could not meet minimum passing rates on licensure or certification exams or minimum enrollment requirements. While this was a local governance decision,
in many cases, the decision was based upon the need to meet a state-mandated accountability measure and performance standard.

*Establishment of academic policies.* While there was no perceived impact specifically on academic policies, in order to improve performance on the accountability measures, some colleges have changed how they respond to certain academic issues. These issues include student retention, tracking of college transfer students, and curriculum upgrade.

Overall, there has been an increased focus on student retention and enhanced student support functions, particularly for those programs that lead to licensure or certification. Such functions included improved tutoring services and academic advising and the addition of study skills and orientation courses. Furthermore, some colleges have implemented supplemental instruction opportunities to enhance student performance on licensure and certification exams.

In addition to improved student retention and student academic support, there have been improvements in the tracking of college transfer students to assess performance after transfer to the four-year college or university. Since students transfer to various colleges and universities, it was difficult to get a large enough data pool to report back from the university or senior college. As a result, colleges began working with independent colleges as well as the public universities and exploring alternative methods of collecting data on the performance of transfer students.

The accountability measures legislation has also compelled some colleges to strengthen the curriculum for programs that lead to licensure or certification and to
change the requirements for student progression through these programs. In addition, many colleges have made improvements in developmental courses.

Institutional functions with minimal or no perceived impact. There were other institutional functions identified by the Carnegie Commission on Higher Education that were not influenced by the accountability measures legislation. One such function was selection and promotion of faculty and selection of academic and administrative leadership. In addition, there was no significant impact on budget management and allocation of resources for specific purposes.

According to the performance funding model, colleges that met required performance standards gained access to carry forward dollars that would have otherwise been reverted back to the state. Thus, for these colleges, there has been some level of increased flexibility in managing the budget, and based on the legislation, budget flexibility was an intended reward for colleges meeting the performance standards. However, community college leaders indicated that this minimal increase in budget flexibility had no impact upon how they made local decisions regarding budget management and allocation of resources for specific purposes. Furthermore, due to how the data are measured, small colleges seem to have been at a disadvantage in terms of meeting the criteria to be eligible for carry forward funds. Since state funds are allocated based on enrollment, it is typically these small colleges that have the greatest budgetary challenges.

Summary of perceived impact. The impact of the accountability measures and performance standards legislation was examined from the perspective of community
college leaders. The framework for discussing the impact of the legislation was the
delineation of state and institutional functions identified by the Carnegie Commission on
Higher Education. According to the Commission, the local institution should maintain
responsibility for the following functions: (a) budget management and allocation of
resources for specific purposes; (b) individual student selection; (c) selection and
promotion of faculty, establishment of academic policies including those policies that
ensure academic freedom, and selection of academic and administrative leadership; and
(d) establishment of specific academic programs.

Based on the findings of this study, the state mandated accountability measures
and performance standards had no perceived impact on selection and promotion of
faculty or selection of academic and administrative leadership. Furthermore, while the
performance model implemented as part of the accountability measures legislation
provided some level of increased budget flexibility for some colleges, there was no
significant impact on budget management and allocation of resources. From the
perspective of community college leaders, there were three institutional functions
identified by the Carnegie Commission on Higher Education that were influenced by the
accountability measures legislation.

The first such function was individual student selection in terms of admission to
specific programs. Some colleges have altered their selection process for admission to
certain programs, particularly those programs that lead to licensure or certification. In
addition, many colleges have modified placement testing policies and implemented
additional developmental course requirements for courses and programs that lead to
licensure or certification. Secondly, regarding establishment of academic programs, a number of colleges have discontinued programs in which they repeatedly failed to meet the performance standard for licensure exams or the performance standard for minimum enrollment. A third factor that has been influenced, although to a lesser extent, by the accountability measures legislation was establishment of academic policies. Responding to various academic issues, a number of colleges have implemented programs aimed at improving student retention and have enhanced student support functions, particularly for those programs that lead to licensure. In addition, many colleges have made improvements in the tracking of college transfer students. Colleges have also made improvements in developmental courses and have strengthened the curriculum for programs that lead to licensure, in some cases, changing the requirements for student progression through these programs.

There were mixed responses from the community college leaders regarding the impact of the accountability legislation. Responses from some of these leaders indicated concern that colleges had been forced to close programs that could not meet performance standards. While some respondents indicated that such program closures were merely good management decisions, others contended that the accountability measures failed to consider special local needs that might be met by some of these programs.

While there was some concern regarding program closures, the primary point of contention was with respect to admission of students to specific programs. As stated previously, in order to improve the passing rate on licensure and certification exams, a required accountability measure that affects performance funding, a number of colleges
implemented stricter admissions criteria. Some community college leaders expressed concern that this practice denied access to certain programs for potentially successful students. Others, however, noted that such requirements enhanced student success.

This section has summarized the key findings of the research conducted for this study. The following section provides an overview of conclusions drawn from these findings.

Conclusions

The literature suggests that a trend towards increased state involvement in higher education began in the 1950s (Chambers, 1960, 1965; Glenny, 1959; Moos & Rourke, 1959). This trend continued throughout the 1960s with even stronger state influence in the 1970s and significant legislation that had an impact on local campus governance (Angel, 1982; Heller, 2004; Martorana & Garland, 1985; Martorana & McGuire, 1976; Martorana & Smutz, 1980; Richardson, Bracco, Callan, & Finney, 1999; Wellman, 2006). Much of the related literature discusses the tension and apprehension between state-level authority and local campus governance (Angel, 1980; Berdahl, 1999; Carnegie Commission on Higher Education, 1971, 1973; Carnegie Foundation for the Advancement of Teaching, 1976; Dee, 2006; Hearn and Holdsworth, 2002; Martorana, 1983, 1986, 1989; Moos and Rourke, 1959; Tschechtelin, 1994; Vaughan, 1981, 1983; Wellman, 2006). Furthermore, the literature often suggests, either directly or indirectly, that the college-state relationship can be enhanced by identifying a point of balance between state authority and local autonomy (Berdahl, 1999; Carnegie Commission on Higher Education, 1971, 1973; Carnegie Foundation for the Advancement of Teaching,
1976; Hearn and Holdsworth, 2002). To this end, there has been considerable focus on a delineation of those responsibilities which should be assigned to the state and those responsibilities that should be maintained in the purview of the local institution.

The findings of this research suggest that the relationship between state authority and local campus governance is much more complex than what is indicated in much of the literature. The analysis and synthesis of the findings of this study imply that it is not merely a matter of more state authority and less local autonomy or vice versa; it is not one or the other. Rather, the findings suggest there has been a change in the policy making environment for community colleges. This change can be summarized as a shift (a) from measuring success in terms of access to measuring success in terms of educational outcomes, (b) from laissez-faire state involvement to interactive state involvement, and (c) from independent institutional policy making to negotiated policy development.

*From access to educational outcomes.* As reported in the summary of findings for this study, the 1960s and early 1970s were periods of tremendous expansion for community colleges nationwide in terms of both the number of colleges and the number of students enrolled in these colleges. A primary factor underlying this growth and expansion was the need to provide increased access to meet the growing demands for higher education (Cohen & Brawer, 1996; Geiger, 2005; Lingenfelter, 2004). Thus, success for these institutions was often measured in terms of access. As these colleges have matured and as they have become a more vital part of meeting the needs of higher education, there has been a shift in focus towards educational outcomes (Laanan, 2001).
Based on the findings of this study, the state-legislated mandate for the establishment of accountability measures and performance standards for North Carolina community colleges was influenced by three primary factors. One factor was an increased focus on fiscal responsibility due to a tighter state budget and greater competition for state funding. Secondly, there was a general concern at the national, state, and local levels for the quality of higher education. A third factor was an increased focus on outcomes assessment guided to a large extent by the Southern Association of Colleges and Schools and other regional accrediting agencies. A common thread for all of these factors was a call for greater accountability with a focus on educational outcomes.

*From laissez-faire state involvement to interactive state involvement.* As stated above, the community college sector has become a more vital component of higher education. Furthermore, they have comprised increasingly greater proportions of state budgets. As such, they have captured the attention of state legislators who have taken a more proactive interest in these institutions.

With the establishment of the initial accountability measures, a struggle began. Contending that individual college performance was a matter to be handled by local boards of trustees and local college administrators, community college leaders fought to have data published only for the community college system as a whole. Legislators, however, pushed for the publication of individual college data; they wanted to know how individual colleges performed. In the middle of this struggle was the North Carolina
Community College System Office. Although empathetic to the concerns of local college leaders, their primary stance was to comply with the legislative requests.

After the establishment of the initial accountability measures, additional legislation was influenced, at least to some extent, by the perception of legislators that community college leaders did not do enough to improve performance. This was most apparent in the 1998 legislation which stated,

The General Assembly finds that the current annual program review standards are not adequate to ensure that programs are meeting the needs of students, employers, and the general public; therefore, the State Board of Community Colleges shall review the current standard to ensure a higher degree of program accountability and shall establish appropriate levels of performance for each measure based on sound methodological practices (North Carolina Session Law, 1998, section 10.5).

The legislature’s continued push for increased levels of individual college accountability resulted in the establishment of twelve accountability measures with college-level performance standards for each measure. The findings of this study indicated that this policy, which also included performance funding, has significantly influenced local campus governance in two functional areas: admission of students to specific academic programs and the closure of certain academic programs. In addition, colleges have made changes in how they respond to certain academic issues including enhanced student support functions, improvements in the tracking of college transfer students, and curriculum up-grade in developmental courses and academic programs that
lead to licensure or certification. Thus, from the perspective of community college leaders, the state-mandated accountability measures and performance standards have had a definite impact on local campus governance.

*From independent institutional policy making to negotiated policy development.*

The shift from independent institutional policy making to negotiated policy development is reflective of a change in state government’s view of community colleges. These colleges are no longer seen as independent institutions isolated from each other and from state authority; rather, they are individual components of a comprehensive interdependent system of higher education. As a result, there has been a shift from individual community colleges making local independent policy decisions toward a negotiated understanding and policy development.

The 1999 accountability measures and performance standards and performance budgeting model were the result of four legislative acts and corresponding community college response over a ten-year period. With each legislative act, the legislature made a specific mandate for accountability but left it to the Community College System and individual community college leaders to decide what that system of accountability would be.

Throughout the ten-year period, there was a progression of accountability measures and performance standards that were developed by various committees and task forces consisting of broad representation from individual colleges. These committees and task forces worked closely with the North Carolina Association of Community College Presidents and the Community College Fiscal Research Analyst who served as staff to
the General Assembly. The relationship between this individual and the community college leaders was the one most steeped in controversy. There was some indication that the Fiscal Research Analyst was the one who was “driving” all of the legislation. Some respondents, however, viewed this individual as the liaison who was communicating what would be acceptable to the legislators. In either case, there was a great deal of discussion, debate, and at times tension and discord, between the task forces, the community college presidents, and the Fiscal Research Analyst as the accountability measures were developed and performance standards were set.

As stated above, there was a progression of accountability measures and performance standards that were developed by various committees and task forces with local college representation and significant input from the Presidents Association. Thus, with each legislative act, there was opportunity for community college leaders to have considerable input in the development of the accountability system by which they would be measured. However, when the legislators were not satisfied with the community college response, they enacted additional legislation. Thus, there was an on-going cycle of legislative action and community college response. Although there was a lot of resistance from the presidents as the accountability measures and performance standards evolved, perhaps it was this concept of negotiated policy development that led to the most prevalent response from community college presidents eight years later, “Most of these measures are things we should have been doing anyway.”

*Relationship between state authority and local campus governance.* As stated previously, the relationship between state authority and local campus governance is
complex; it is not merely a matter of finding a balance between the two. The shift in
policy making development described in the preceding narrative reflects this complexity.
As proposed by Dee (2006),

The idea of drawing a line between the campus and the state reinforces the notion
that higher education institutions and external actors have separate interests rather
than a common interest in the public good. Moreover, delineating a midpoint
between accountability and autonomy suggests that these concepts are opposing
points on a single continuum (p. 134).

With the period of expansion beginning in the 1950s, higher education
experienced a golden era in which institutions were “treated with unusual deference by
their state sponsors, who were often content to ‘leave the money on the stump’ with few
questions asked” (Trow as cited in Schmidtlein & Berdahl, 2005). Given the increased
size and complexity of higher education, combined with strained state budgets and a
public demand for quality education, the golden era yielded to a period of increased state
control and a “tug of war between campus interests in institutional autonomy and state
policy makers’ concerns about accountability” (Dee, 2006, p. 133). The findings of this
study support the notion of a new era for higher education, an era of mutual support and
cooperation. This notion is endorsed by Dee who asserts that state policy makers and
campus leaders can and should “work together to develop shared commitments and build
trust-based relationships that maintain high levels of both public accountability and
institutional autonomy to advance the public good” (p. 134). Repeating the words of
Press (as cited in Bowen, 1979),
The university should remain a strong but fair critic of the government. But it should also be its best ally. We desperately need each other to deal with the very difficult problems that this country and the world face in the years and decades ahead. Only when the power of knowledge and forces of political action are united can most of those problems be solved. And others are bound to follow in their wake. So we are going to be working together for a long time (p. 6).

**Implications**

The findings of this study suggest several implications for theory and research. In addition, there are implications for practice and policy.

*Implications for Theory and Research*

According to Stake (2000), “The purpose of a case study is not to represent the world, but to represent the particular case” (p. 448). Thus, the value of a case study lies in its contribution to the continuous professional conversation (Stake, 2000). This research was conducted as a case study to gain insight into the relationship between legislative policy makers and community college leaders. The relationship was explored through the examination of the enactment of a series of legislation that established state-mandated accountability measures and performance standards for North Carolina community colleges.

Much of the literature suggests that the core of the relationship between legislative policy makers and community college leaders lies in a shifting balance between state authority and local governance; who governs and who has what authority. While this delineation of authority between state responsibility and local autonomy is an
important component of the state-college relationship, the findings of this study suggest that this relationship is more complex. There is no conceptual framework for examining the state-college relationship, and the complexities of this relationship have not been addressed by previous studies. Thus, the findings of this study add to the body of literature by contributing to an improved understanding of the relationship between legislative policy makers and community college leaders. Since this research was conducted as a case study, there is a need for additional research of other legislation that has an impact on the nature of the state-college relationship. It is through repeated studies that understandings can be generalized.

This study characterizes the relationship between legislative policy makers and community college leaders for this particular case. The findings suggest that this state-college relationship is not static nor clearly delineated, but rather is ongoing and in constant flux. In 1989, state legislators called for statewide accountability measures. The North Carolina Community College System responded with system-level accountability measures. This was followed by a legislative request for individual college-level data. There was a great deal of resistance from community college leaders who felt that individual college performance was a local issue to be addressed by local boards of trustees and local college administrations. However, college-level data were published, and eventually additional legislation mandated the establishment of college-level performance standards. Further legislation called for the development of a more effective system of accountability measures and performance standards. Eight years after the development of this accountability system, community college leaders responded, “These
measures are things we should be doing anyway.” Thus, the relationship between legislative policy makers and community college leaders is one of ongoing negotiations and constantly changing understandings. Future studies should consider this finding as part of the nature of the state-college relationship.

Much of the literature suggests a continuum of authority with state accountability and local autonomy as the two opposite extremes. Often, in the middle of negotiations between legislative policy makers and educational leaders is a state coordinating agency. For the case study of this research, the North Carolina Community College System Office was empathetic to the community colleges leaders’ efforts to maintain local autonomy. However, the System Office stance was to comply with legislative requests. Future studies might examine more thoroughly the role of state coordinating agencies in the development of policy.

The research conducted for this study was a historical and retrospective exploration of the development of legislative policy. As such, some of the tension in the relationship between the legislative policy makers and the community college leaders may have waned. A future study might examine the development of policy from a longitudinal and ongoing perspective in order to fully capture the nuances of the interactions and negotiations.

In addition to characterizing the nature of the state-college relationship, the findings of this study suggest a reframing of the relationship between state authority and local governance with an enhanced understanding of policy issues. Changes in the policy making environment for North Carolina community colleges can be summarized as a
shift (a) from measuring success in terms of access to measuring success in terms of educational outcomes, (b) from laissez-faire state involvement to interactive state involvement, and (c) from independent institutional policy making to negotiated policy development. This understanding of the policy making environment further adds to the body of literature and contributes to ongoing discussion.

Implications for Practice and Policy

The findings of this research have several implications for community college practice. These concepts are presented in the following narrative as implications for community college leaders and implications for legislative and state-level policy makers.

Implications for community college leaders. This study suggests a policy shift from measuring success in terms of access to measuring success in terms of outcomes. An important implication for community college presidents and other community college leaders is that they function in a global market. As such, they must be cognizant of what is required to excel in this market; they must be aware not only of local issues, but also of state and national trends that have an impact on expectations. In short, they must be accountable, not just in the narrow terms of accountability measures examined for this study, but in the broader sense of assuming responsibility for their role in the education of state citizens. Laanan (2001) states, “Community colleges, like the rest of higher education, face a common, but unwelcome, dilemma – to prove their worth to an increasingly skeptical and critical public” (p. 69).

The findings of this study also suggest a policy shift from laissez-faire to interactive state involvement and from independent policy making to negotiated policy
development. Thus, an implication is that community college leaders must be politically savvy. The state and the public will not yield in their demands for accountability. At the local level, community college leaders must continue to build trust among all constituents. Perhaps more importantly, community college presidents and other leaders must enhance their understanding of the state legislative process. The research conducted for this study pointed to a legislative staff member as an individual who had significant influence upon the legislation. Community college leaders need to identify the key players in molding state legislation and developing policy and understand the informal as well as formal authority of such individuals. Referencing the complex relationships that states have developed with community colleges, Lovell and Trouth (2002) state, “By understanding governance and coordination systems, leaders can anticipate strengths and weaknesses of the systems for meeting future challenges.” If community college leaders are to be proactive in protecting local autonomy, they must take responsibility for building and nurturing the college-state relationship. As such, building political relationships should be a focus of leadership training.

Implications for legislative and state-level policy makers. One implication of this study for legislative policy makers is that policy makers need to develop a thorough understanding of the organizations affected by the policy, in this case local community colleges. The findings of this study indicate that smaller colleges may have been at an unfair advantage in meeting the required performance standards. Policy makers need to recognize the uniqueness of the various colleges and strive to have all views represented in the development of policy.
Another important implication for policy makers as well as state coordinating agencies is the importance of involvement of community college leaders in policy formulation. While the legislature issued direct mandates calling for the establishment of actual accountability measures and performance standards, it was left to the Community College System to decide upon specific measures and standards. The Community College System, in turn, involved broad representation from individual colleges in the policy development process; there was also significant input from community college presidents. As a result, the accountability measures were relevant to community college practice which led to eventual acceptance of the accountability system as a positive factor. As cited in the key findings, a prevalent response from community college presidents was, “Most of these measures are things we should have been doing anyway.”

*The point is that both institutional autonomy and state involvement are important.* – Aims C. McGuiness, Jr.
REFERENCES


*Government regulation of higher education* (pp. 11-24). Cambridge, MA:

Ballinger Publishing Company.


North Carolina Administrative Code, 23, chapter 2, subchapter C, section .0301.


Appendix A: Interview Protocol

1. Where did the concept of state-mandated performance measures for North Carolina community colleges originate?

2. Describe your involvement in the development and implementation of the performance measures for North Carolina community colleges?

3. In what way, if any, did the establishment of state-mandated performance measures for North Carolina community colleges influence the colleges’ authority to manage the budget and allocate resources for specific purposes?

4. In what way, if any, did the establishment of state-mandated performance measures for North Carolina community colleges influence the colleges’ authority to establish individual student selection policies?

5. In what way, if any, did the establishment of state-mandated performance measures for North Carolina community colleges influence the colleges’ authority to select and promote faculty?

6. In what way, if any, did the establishment of state-mandated performance measures for North Carolina community colleges influence the colleges’ authority to establish academic policies?

7. In what way, if any, did the establishment of state-mandated performance measures for North Carolina community colleges influence the colleges’ authority to select academic and administrative leadership?

8. In what way, if any, did the establishment of state-mandated performance measures for North Carolina community colleges influence the colleges’ authority to establish specific academic programs?

9. How do you think the establishment of the performance measures has influenced local autonomy in terms of institutional governance?
Appendix B: Informed Consent Form

North Carolina State University
INFORMED CONSENT FORM for RESEARCH

Title of Study: Legislative Impact on Campus Governance: Performance Standards for North Carolina Community Colleges

Principal Investigator: Linda B. Alexander  Faculty Sponsor (if applicable):
  George B. Vaughan/Carol E. Kasworm

We are asking you to participate in a research study. The purpose of this study is to examine legislative impact on campus governance by analyzing, as broadly and extensively as possible, the enactment by the North Carolina General Assembly of legislative policy that established specific accountability measures and performance standards for the state’s community colleges. This descriptive study is an analysis of historical documents, interview responses, and other data relevant to this legislation with specific emphasis on the political influence and tension. This historical and political analysis will be utilized to determine (a) how the legislature became involved in the performance evaluation of community colleges and what interaction took place between legislators and community college leaders, (b) if the state legislators viewed this legislation as encroachment on campus governance, and (c) if the North Carolina Community College System and the individual community colleges viewed this legislation as encroachment on campus governance.

INFORMATION
If you agree to participate in this study, you will be asked to participate in an interview that will consist of a series of structured questions followed by additional open-ended questions as necessary to probe deeper and obtain additional information. When possible, the interviews will be conducted in person, and in situations where face-to-face contact is not feasible, the interviews will be via telephone. You will be given a copy of the structured questions approximately one week prior to the scheduled interview. If you have no objection, the interview will be tape recorded for later analysis. If you are not comfortable with the taped recording, careful notes will be taken by the researcher. The interview should take approximately one hour. As the data is analyzed, there may be a need for follow-up questions.

RISKS
There are no foreseeable risks or discomforts associated with this research.
BENEFITS
There is no direct benefit to the participants. The indirect benefit is an improved understanding, particularly for community college leaders, with respect to the legislative perspective, how legislation is initiated, and how the interaction with legislators may be enhanced.

CONFIDENTIALITY
The information in the study records will be kept strictly confidential. To protect against equipment failure and to enhance security of the data, two tape recorders will be used simultaneously. One copy of the taped recording and written notes will be stored while a second copy will be used as a working copy. To protect subject identity, a code number will be used on all study materials and the code number will be linked to subject identity via a master list. The data will be shared only with a clerical assistant who will transcribe the interview responses. The clerical assistant will be required to sign a statement of confidentiality. Once the study is completed, all copies of the taped recorded data and written notes along with any links between the subject and audio and written data will be destroyed. No reference will be made in oral or written reports which could link you to the study.

COMPENSATION (if applicable)
There is no compensation for participating in this study.

EMERGENCY MEDICAL TREATMENT (if applicable)
Not applicable

CONTACT
If you have questions at any time about the study or the procedures, you may contact the researcher, Linda B. Alexander, at 129 Country Club Road, Ahoskie, NC 27910, or 252-332-6243. If you feel you have not been treated according to the descriptions in this form, or your rights as a participant in research have been violated during the course of this project, you may contact Dr. Matthew Zingraff, Chair of the NCSU IRB for the Use of Human Subjects in Research Committee, Box 7514, NCSU Campus (919/513-1834) or Mr. Matthew Ronning, Assistant Vice Chancellor, Research Administration, Box 7514, NCSU Campus (919/513-2148)

PARTICIPATION
Your participation in this study is voluntary; you may decline to participate without penalty. If you decide to participate, you may withdraw from the study at any time without penalty and without loss of benefits to which you are otherwise entitled. If you withdraw from the study before data collection is completed your data will be returned to you or destroyed at your request.
CONSENT
“I have read and understand the above information. I have received a copy of this form. I agree to participate in this study with the understanding that I may withdraw at any time.”

Subject's signature_______________________________ Date _________________

Investigator's signature___________________________ Date _________________
## Appendix C: Summary of Legislative Acts

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Mandate</th>
<th>Result</th>
<th>Developed by</th>
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<tbody>
<tr>
<td><strong>1989 Legislation</strong></td>
<td>The State Board of Community Colleges shall develop a &quot;Critical Success Factors&quot; list to <strong>define statewide measures of accountability for all community colleges</strong>.</td>
<td>Initial 6 critical success factors (Revised in 1992 to include 7 factors)</td>
<td>System Planning Council, appointed by System Office President (local college board trustees, presidents, and administrators) Input from NC Association of Community College Presidents Interaction with Community College Fiscal Research Analyst</td>
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<td><strong>1993 Legislation</strong></td>
<td>The State Board of Community Colleges shall establish <strong>standards for levels of institutional performance on those critical success factors that can be appropriately measured to indicate how individual colleges are performing</strong> in meeting the goals of the North Carolina Community College System. Each community college shall report its performance on these measures to the State Board. Colleges that fail to attain any of the standards in any year shall report to the State Board the reasons why performance fell below standards and the steps being taken to meet the standards.</td>
<td>10 accountability measures with individual college performance standards for each measure</td>
<td>Accountability Task Force, appointed by System Office President (State Board trustee, System Office personnel, local college board trustee, community college presidents and administrators) Input from NC Association of Community College Presidents Interaction with Community College Fiscal Research Analyst</td>
</tr>
<tr>
<td><strong>1998 Legislation</strong></td>
<td>The General Assembly finds that the <strong>current annual program review standards are not adequate to ensure that programs are meeting the needs of students, employers, and the general public</strong>; therefore, the State Board of Community Colleges shall review the current standard to ensure a higher degree of program accountability and shall establish appropriate levels of performance for each measure based on sound methodological practices.</td>
<td>12 accountability measures with individual college performance standards for each measure</td>
<td>Performance Measures and Standards Task Force, Appointed by System Office President (State Board trustee, System Office personnel, local college board trustee, community college presidents and administrators, Peter Ewell - consultant) Input from NC Association of Community College Presidents Interaction with Community College Fiscal Research Analyst</td>
</tr>
<tr>
<td>Legislation</td>
<td>Mandate</td>
<td>Result</td>
<td>Developed by</td>
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<tr>
<td>1998 Legislation</td>
<td><strong>The local institutions of the North Carolina Community College System shall comply with annual reporting requirements</strong> established by the State Board of Community Colleges; therefore, the State Board of Community Colleges shall develop an action plan to improve the timeliness and accuracy of the data that are required to be reported to the State Board by each institution. This plan shall include <strong>withholding State funds from the institution if an institution is not in compliance.</strong></td>
<td>Performance funding model</td>
<td>MGT of America – consultant</td>
</tr>
<tr>
<td>(continued)</td>
<td></td>
<td></td>
<td>Performance Funding Implementation Task Force, Appointed by System Office President (System Office personnel, local college presidents and administrators)</td>
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<td>Input from NC Association of Community College Presidents</td>
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<td></td>
<td></td>
<td></td>
<td>Interaction with Community College Fiscal Research Analyst</td>
</tr>
<tr>
<td>1999 Legislation</td>
<td>Codified 12 accountability measures and performance standards into law including performance budgeting.</td>
<td></td>
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<tr>
<td>200 Legislation</td>
<td><strong>Minor revisions. Called for each college to publish its performance on the 12 measures . . . (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted.</strong></td>
<td></td>
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</table>
Appendix D: Accountability Task Force

The Accountability Task Force was one of fourteen task forces appointed by the President of the North Carolina Community College System in 1993 to respond to recommendations made by the North Carolina Government Performance Audit Committee. This task force was established to review existing accountability measures and to begin the process for setting performance standards.

Keith Brown, chair  Department of Community Colleges
                     State Board of Community Colleges representative

David Bell           Trustee, Wake Technical Community College

Larry Donnithorne     College of the Albemarle

Jim Randolph         Wilkes Community College

Walter Timm          Coastal Carolina Community College

Kathy Matlock         Blue Ridge Community College

Sylvia Pierce         Fayetteville Technical Community College

Bob Young             Southeastern Community College

Karen Noel            Isothermal Community College

Alan McNeely          Department of Community Colleges

Paul Nagy             Department of Community Colleges
The Performance Measures and Standards Task Force was appointed by the President of the North Carolina Community College System following the 1998 legislation which called for a revised accountability model. The task force was charged to study and recommend accountability measures and standards.

Willard Lewis, chair  President, Isothermal Community College
Steven Scott  President, Southeastern Community College
Cecil Groves  President, Southwestern Community College
Johnnie Simpson  Vice President, Brunswick Community College
Jan Crawford  Director, Fayetteville Technical Community College
Susan Allred  Vice President, Forsyth Technical Community College
David Heatherly  Vice President, Coastal Carolina Community College
Dennis King  Vice President, Asheville-Buncombe Technical Community College
Annie-Marie Knighton  State Board of Community Colleges
Barry Russell  Executive Vice President, North Carolina Community College System
Elizabeth Jones  Vice President, North Carolina Community College System
Brenda Rogers  Vice President, North Carolina Community College System
Kennon Briggs  Vice President, North Carolina Community College System

Staff to the Committee
Keith Brown  Associate Vice President, Planning and Research

Attending many of the meetings
Charlotte Todd  Legislative staff
Appendix F: Performance Funding Implementation Task Force

The Performance Funding Implementation Task Force was appointed by the President of the North Carolina Community College System following the 1998 legislation which called for a revised accountability model. This task force was charged to develop an action plan for implementing the performance funding model

Kennon Briggs, co-chair  Vice-President, Business and Finance, North Carolina Community College System

Brenda Rogers, co-chair  Vice-President, Administration, North Carolina Community College System

Susan Allred  Forsyth Technical Community College

David Heatherly  Vice-President, Coastal Carolina Community College

Marvin Joyner  President, Central Carolina Community College

Dennis King  Ashville-Buncomb Community College

Willard Lewis  President, Isothermal Community College

Steve Scott  Executive Vice-President, North Carolina Community College System

Ed Wilson  President, Wayne Community College

Staff to the Committee
Keith Brown  Associate Vice-President, Planning and Research

Attending many of the meetings
Charlotte Todd  Legislative staff
Appendix G: North Carolina General Statutes, Chapter 115D, Section 115D-31.3

115D-31.3. Performance budgeting

(a) Creation of Accountability Measures and Performance Standards. –

The State Board of Community College shall create new accountability measures and performance standards to be used for performance budgeting for the Community College System. . . . The State Board of Community Colleges shall review annually the accountability measures and performance standards to ensure that they are appropriate for use in performance budgeting. . . .

(e) Mandatory Performance Measures. – The State Board of Community Colleges shall evaluate each college on the following 12 performance standards: (1) Progress of basic skills students, (2) Passing rate for licensure and certification examinations, (3) The proportion of those who complete their goal, (4) Employment status of graduates, and (5) Performance of students who transfer to the university system, (6) Passing rates in developmental courses, (7) Success rates of developmental students in subsequent college-level courses, (8) The level of satisfaction of students who complete programs and those who do not complete programs, (9) Curriculum student retention and graduation, (10) Employer satisfaction with graduates, (11) Client satisfaction with customized training, and (12) Program enrollment.

(f) Publication of Performance Ratings. – Each college shall publish its performance on the 12 measures set out in subsection (e) of this section (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted.
The Community College System Office shall publish the performance of all colleges on all 12 measures in its annual Critical Success Factors Report.

(g) Performance Budgeting; Recognition for Successful Performance. – For the purpose of performance budgeting, the State Board of Community Colleges shall evaluate each college on six performance measures. These six shall be the five set out in subdivisions (1) through (5) of subsection (e) of this section and one selected by the college from the remainder set out in subdivision (6) through (11). For each of these six performance measures on which a college performs successfully or attains the standard of significant improvement, the college may retain and carry forward into the next fiscal year one-third of one percent (1/3 of 1%) of its final fiscal year General Fund appropriations.

(h) Performance Budgeting; Recognition for Superior Performance. – Funds not allocated to colleges in accordance with subsection (g) of this section shall be sued to reward superior performance. After all State aid budget obligations have been met, the State Board of Community College shall distribute the remainder of these funds equally to college that perform successfully on at least five of the six performance measures.

(i) Permissible Uses of Funds. – Funds retained by colleges or distributed to colleges pursuant to this section shall be used for the purchase of equipment, initial program start-up costs including faculty salaries for the first year of a program, and one-time faculty and staff bonuses. These funds shall not be used for continuing salary increases or for other obligations beyond the fiscal year into which they were carried forward. These funds shall be encumbered within 12 months of the fiscal year into which they were carried forward.