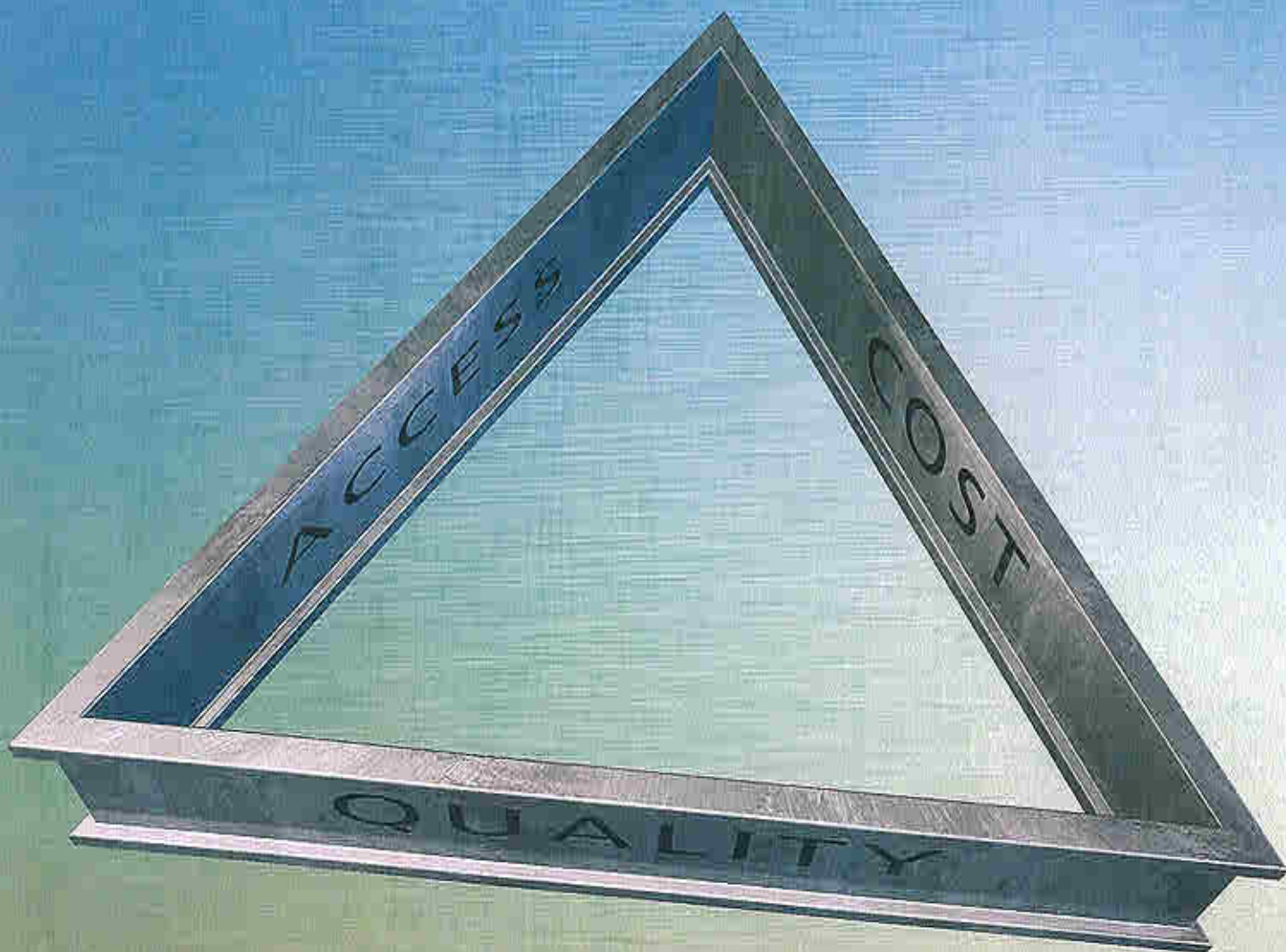


SEEKING A 21ST CENTURY PUBLIC AGENDA  
WHAT DO PRESIDENTS NEED FROM BOARDS?  
KEEPING YOUR LEGAL BUDGET IN CHECK  
HOW ACCREDITATION IMPACTS GOVERNING BOARDS  
ACHIEVING HIGH-PERFORMANCE INSTITUTIONS

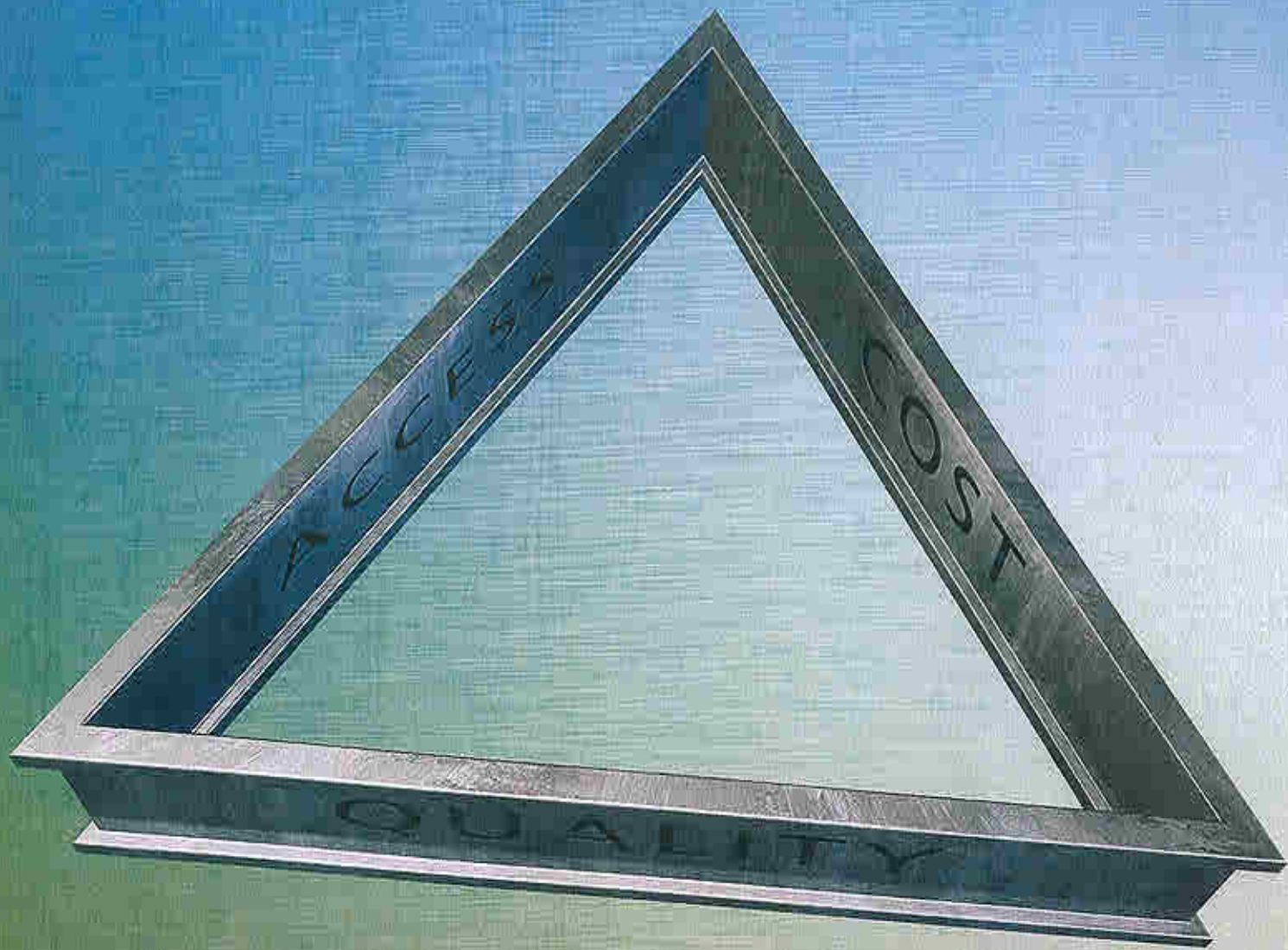
SEPTEMBER/OCTOBER 2009

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Rethinking Higher Education:  
Moving Beyond the **Iron** Triangle





## Rethinking Higher Education:

# Moving Beyond The **IRON** Triangle

BY ARNE DUNCAN,  
U.S. SECRETARY OF EDUCATION

FOR MOST OF THE LAST CENTURY, THE UNITED States has been recognized as having the best system of higher education in the world. No other nation has a postsecondary system that has been as successful in advancing knowledge and innovation, while also making college accessible to its citizens regardless of their financial circumstances. Yet today, higher-education institutions

in America face stiff challenges. If the United States is to retain its preeminence in the global economy, America's universities, liberal-arts colleges, and community colleges need to become more accessible, affordable, and successful—and in a hurry.

I often hear it said that managing the multiple missions of higher education is akin to being caught in an “iron triangle.” Nearly every college president and every governing board wants to simultaneously improve quality, increase access, and yet constrain costs. To college

### TAKEAWAYS

- 1 Managing the multiple missions of higher education is akin to being caught in an “iron triangle” of apparently mutually conflicting choices involving quality, access, and cost.
- 2 Governing boards and presidents can use efficiency, productivity, and accountability as reform tools to break out of the iron triangle and boost quality and access, and constrain costs at the same time.
- 3 To reach the new national goal of greatly improved college graduation rates, institutions must reduce prohibitive tuition burdens, improve remediation, better align instruction with career opportunities, and institute a variety of reforms to stimulate more student engagement and commitment to earning a degree or certificate.

executives, these three sides of the iron triangle—quality, access, and cost—seem like mutually conflicting choices: Elevating quality raises costs; increasing access can dilute quality; and reducing costs impairs both quality and access.

In light of these conflicting missions, it is not surprising that college presidents and governing boards have historically given short shrift to one side of the iron triangle—constraining costs. At the same time, additional funding—primarily in the form of expanded government support—has helped research universities, liberal-arts colleges, and community colleges increase access and quality.

In fact, government support has helped higher education to evolve and thrive for more than a century. President Lincoln helped establish the land-grant colleges. The GI Bill created a new middle class of college-educated veterans.

Recommendations from President Truman's higher-education commission led to the rapid growth of community colleges. And the Pell Grant program later made the federal government the major provider of student aid.

Yet as vital as government support for higher education is and continues to be, college executives need to rethink their traditional modus operandi if America is to continue as the world's leader in higher education. I take pride in the fact that the Education Department's budget, together with this year's American Recovery and Reinvestment Act, provides the largest commitment to higher-education funding since the GI Bill. But I recognize that states also play a critical role in funding higher education, and that statehouses are facing severe budget crises. For the foreseeable future, higher-education leaders can no longer expect to rely on the traditional strategy of sustained economic growth and increased government revenues to pave the way for expanded enrollment.

What is the alternative? I would encour-

age university presidents and governing boards to pay more attention to efficiency, productivity, and accountability as reform tools that can help higher education break out of the iron triangle. With productivity improvements and enhanced accountability, many postsecondary institutions can boost quality and access, and constrain costs at the same time. I'm not just referring to the easy efficiencies of picking the low-hanging fruit. Rather, it is time—as President Obama has said—to work toward a new “culture of accountability.”

Reorienting the culture of postsecondary management is essential because the demand and national expectations for higher education are expanding, rather than shrinking. President Obama has set two ambitious goals for the nation's higher-education system. He wants America to regain its ranking as the country with the world's

highest proportion of college graduates, by 2020. And he wants every

American to commit to at least one year of higher education or advanced training. For community colleges alone, the president has outlined a \$12 billion American Graduation Initiative to create 5 million additional community-college graduates by 2020.

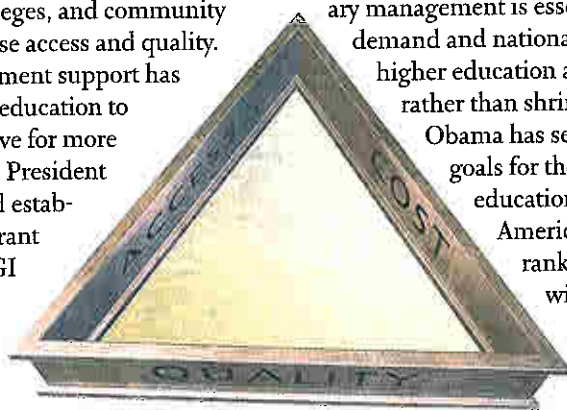
It is no secret what these goals mean for postsecondary institutions: An unprecedented number of Americans not only will have to enroll in but also complete college. During the last quarter century, while access and participation in higher education increased, college completion rates declined. In 1983, 58 percent of all full-time, first-time freshmen graduated from their original institution within five years. Twenty-five years later, that figure has dipped to 53 percent. This decline or stagnation in graduation rates has taken place at a time when higher education, as President Obama has noted, “is no longer just a pathway to opportunity and success. It's a prerequisite for success.”

To reverse the rising tide of college dropouts, postsecondary institutions will have to reduce prohibitive tuition bur-

dens, improve remediation, do a better job of aligning instruction with post-college and career opportunities, and pursue a variety of reforms to stimulate student engagement and commitment to earning a degree or certificate.

Better cost containment is a good place to start. Unfortunately, students are paying a higher and higher share of institutional costs. This burden-shifting has occurred for a number of reasons, including a redirection of state spending to other purposes. Yet no matter what the cause of tuition increases, postsecondary institutions cannot afford to be unresponsive to public unhappiness with the rising cost of a college education.

Some of that shifting of costs to students is producing higher debt levels: Students who borrow to finance their education now graduate from undergraduate institutions with an average debt of nearly \$22,000, according to a 2009 report from AGB. Even at public universities, the average borrower graduates with \$19,400 in debt. That formidable debt load cannot be good for students, the government—or for the colleges that aspire to increase the ranks of their alumni.



ver the next five years, the Obama administration plans to spend \$2.5 billion through a new College Access and

Completion Fund to provide competitive grants to increase college success and graduation, especially among low-income students. These novel grants to states and national entities would support innovative but data-driven programs, documenting best practices for retaining students to graduation.

The College Access and Completion Fund is an important and long-overdue step. But higher-education institutions have many strides they can take on their own to improve efficiency and boost productivity. To cite one of the most visible examples, governing boards frequently find themselves confronting the problem of “mission creep”—the all-too-human tendency to add more and more courses, programs, centers, and credit require-

ments without first shuttering unnecessary programs.

Containing mission creep—cutting out those less-than-vital programs as institutions grow—is a painful obligation that does not come naturally to most managers, much less trustees bent on expanding educational opportunities. President Woodrow Wilson, a one-time college president himself, reportedly quipped that “changing a college curriculum is like moving a graveyard—you never know how many friends the dead have until you try to move them.”

The smorgasbord curriculum at some institutions may appeal to faculty members and governing boards, but ultimately

## Improving the K-12 pipeline to higher education should help boost college-graduation rates.

it is not aligned with the demands of higher education’s most important clients: students. Without postsecondary institutions becoming more nimble and attuned to the needs of students, it is difficult to foresee large jumps in productivity and graduation rates.

In the future, the pool of applicants at both four-year and two-year institutions is likely to include a growing share of older students, with preexisting family and job commitments. These students may enroll only to obtain credentials and will avoid living on campus. As one AGB report recently put it, “It’s not enough to assume that students want a college education on the college’s terms.”

Much the same point has been made about traditional general-education “gateway” courses favored at many universities and community colleges. Students who fail gateway courses have an elevated risk of dropping out and never returning. But some community colleges and universities are finding that redesigned gateway courses can not only boost student learning and course completion but also do so at lower cost. Better outcomes, in short, do

not necessarily translate into higher price tags.

To be sure, many of the most important determinants of college completion are beyond the control of university presidents and governing boards. Students who are well-prepared academically when they arrive on campus and who set realistic goals are much more likely to persist in college, even if they come from modest means.

That is one reason why President Obama and the Department of Education are pushing states to adopt core K-12 reforms designed to reduce remediation and build a better educational pipeline to college. To vie for more than \$5 billion in

reform dollars in the Race to the Top fund, states will need to move toward adopting rigorous, internationally benchmarked K-12 standards that prepare students for college or the workforce. And they need to move toward creating better data systems to track whether students truly are becoming college-ready.

Improving the K-12 pipeline to higher education should help boost college-graduation rates. But for now, it is incumbent on higher-education institutions to also get their own houses in order. Earlier this year, the American Enterprise Institute released a study that concluded that just 53 percent of students entering four-year colleges graduated within six years. At some institutions, fewer than 30 percent of entrants graduate in six years.

Equally disturbing, the AEI study found that graduation rates vary dramatically, even at institutions with similar admission standards and selectivity. Postsecondary institutions can’t explain away those differences just by reference to the usual suspects. The management practices of the colleges and universities have to be part of the explanation—and

part of the solution. And governing boards must recognize that their fiduciary responsibilities include the oversight of student success.

The dangerous temptation for college administrators facing the iron triangle is to lower academic standards to boost graduation rates. Many states shortsightedly responded to No Child Left Behind’s mandate for universal student proficiency by lowering their academic standards, setting off a race to the bottom. But research does not bear out that high schools—or colleges for that matter—are more likely to attract and retain students when they dumb down their standards. First-generation college students, for example, respond much more favorably to high-expectation, high-support settings than to colleges that sanction mediocrity.

Acting as the vigilant monitor of institutional productivity and accountability is not the role that many trustees envision when they join governing boards. But for all the high-profile and hard-won triumphs of boards that manage to boost enrollment of new students, it is worth remembering that it is cheaper to keep her—or him. Postsecondary institutions typically expend \$2,000 to \$3,000 to recruit a new full-time student but spend much less to retain that student.

I am under no illusions here. Instituting far-reaching institutional reforms with limited resources is a formidable assignment. But the record of higher education over the last century in adapting to the challenges of Jim Crow, the Depression, World War II, the oil crisis, and 9/11 provides many reasons for optimism. As much as any institution in American life, higher education has shown that “Yes, we can” is not just campaign rhetoric, but rather an animating belief that has opened the doors to a better life for millions of college students. I believe that higher education can adapt successfully once again. ■

**AUTHOR:** Arne Duncan, U.S. Secretary of Education, previously served as chief executive officer of Chicago Public Schools for seven and a half years.

**T’SHIP LINKS:** Theodore J. Marchese, “Graduation Rates: The Stakes for Boards.” May/June 2009.