

REVIEW OF JAMES J. DUDERSTADT'S
AND FARRIS W. WOMACK'S
*THE FUTURE OF THE PUBLIC UNIVERSITY IN
AMERICA: BEYOND THE CROSSROADS*

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New books about the state of academe by former major college presidents deserve our attention. We hope to learn from them what works and what does not, what was achieved and at what cost, and what lies ahead for the academy. *The Future of the Public University in America: Beyond the Crossroads* by James J. Duderstadt and Farris W. Womack stands out for its focus on public universities.¹ The subject is important—public colleges and universities serve 80% of college students today²—even if the authors overstate its significance.³ Duderstadt was president of the University of Michigan from 1988–96, and during that time Womack was his chief financial officer.⁴ The two label their book a “treatise on lessons learned” and they intend it as a guide for current college and university leaders.⁵ The reader, however, finds more challenges than solutions described in the book, and strong grounds to be skeptical about the future of public universities. One gets the distinct feeling that the public university is “Beyond the Crossroads,” and that a wrong turn was taken long ago.

The authors recognize that public higher education includes a variety of institutions, including community colleges, small and large four-year institutions, and research universities, including some with large medical centers.⁶ To focus, Duderstadt and Womack limit their concerns to those of public research institutions, in particular “the great state universities.”⁷ Since only four state universities are mentioned by name in the book, one is given to understand that

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1. JAMES J. DUDERSTADT & FARRIS W. WOMACK, *THE FUTURE OF THE PUBLIC UNIVERSITY IN AMERICA: BEYOND THE CROSSROADS* (2003).

2. *Id.* at 161.

3. *See id.* at 195 (“Throughout much of the history of higher education in the United States, public research universities . . . have provided the faculty, the pedagogy, the textbooks and scholarly materials, and the standards for *all* of higher education.”) (emphasis added).

4. *Id.* at viii.

5. *Id.*

6. *Id.* at 14.

7. *Id.* at ix.

they have focused narrowly, indeed.⁸

If there is a consistent theme to this book it is that public universities need to become more like private institutions in order to survive. To a large extent, the issues faced by public universities are shared by independent colleges and universities, but Duderstadt and Womack go to some length to draw distinctions between the two groups which, in fact, are not easily distinguished.⁹ Public universities are usually, though not necessarily, larger than private institutions. The revenue sources of each may differ, though on average public universities receive less than 30% of their operating funds from direct appropriations;¹⁰ both public and private institutions must, therefore, rely primarily on other sources of funding, including non-public sources. Legal control is the best distinguishing criterion, in that most public universities lack self-appointing boards.¹¹

Both public and private institutions may have public service missions. But public universities now increasingly lack the resources to accomplish their mission. Historically, the authors argue, public universities have been charged with the mission of promoting freedom, democracy, and social justice by providing educational access and opportunity for the public.¹² The authors posit the source of this mission in a fictional social contract between public universities and the states they serve.¹³ In return for the benefit of direct appropriations of tax dollars, the public university, they suggest, agrees to provide low cost educational access and opportunity to all segments of the public. "The historical rationale for public higher education . . . is that, since education benefits all of society, it deserves to be supported by public tax dollars."¹⁴ The service orientation of the public university supported its research and teaching missions by sustaining public confidence and giving legislators a reason to continue appropriating funds.¹⁵

This bargain has been broken, they argue, by both sides, resulting in one of the chief sources of risk for the public university.¹⁶ For the university's part, it has strayed from its commitment to public education and has taken on peripheral tasks, including promoting regional economic development, research for hire, health care, and providing mass entertainment through intercollegiate sporting events.¹⁷ The adoption of many divergent missions has caused the university's resources to be reallocated and has diluted the focus and effectiveness.¹⁸ These new missions

8. In addition to the University of Michigan, the Universities of Wisconsin, Virginia, and California are also mentioned.

9. See DUDERSTADT & WOMACK, *supra* note 1, at 12–25. Though the institutions they refer to as "private" normally designate themselves as "independent," as in the National Association of Independent Colleges and Universities, I will here use the term "private" to follow the book's usage.

10. *Id.* at 16.

11. *Id.* at 13.

12. *Id.* at 45.

13. *Id.* at 6–8, 126.

14. *Id.* at 7.

15. *Id.* at 23.

16. *Id.* at 8.

17. *Id.* at 25.

18. *Id.* at 24, 105.

have been adopted in response to perceived demands, if not needs, of the public. This departure from the traditional mission has resulted, the authors argue, in the loss of public confidence and support for the university.¹⁹ They suggest public sympathy for universities, ironically, was greater in the past when fewer individuals had an opportunity for higher education.²⁰

The public has also failed to keep its part of the bargain, gradually withdrawing and changing the nature of its financial support over the last forty years, jeopardizing the ability of the public universities to continue the original bargain.²¹ Hewing to its traditional mission is increasingly difficult for the public research university when the public demands low cost education, i.e., affordable tuition, but is unwilling to support the true costs of the institution through sufficient appropriations or other aid.

The factors challenging the mission of public universities are many and great. In the valuable core of the book the authors consider three crisis areas necessitating change: market forces,²² finances,²³ and governance.²⁴

The very fact that education is now viewed as a market highlights one of the significant changes for colleges and universities over the last forty years. Where formerly education was viewed as a public investment, provided by the public for the consumption of all, today it is viewed as a consumer good benefiting the individual.²⁵ The authors see a shift in public policy with respect to education generally as responsible for our current perception of learning. The authors note that we now talk of “accountability” and “outcomes” for education rather than “access” and “opportunity.”²⁶

Private capital has taken notice that education is a market, as well. The private sector has awakened to the fact that education is a \$665 billion industry, with higher education accounting for \$225 billion.²⁷ When the “knowledge and learning” industry is considered as a whole, education contributes \$2.2 trillion to the American economy.²⁸ The authors see for-profit companies forming in the education sector to take advantage of new opportunities and eventually overwhelming traditional education with a “tsunami” like impact.²⁹

Traditional public universities have been too slow to take account of the changing nature of education consumers. The authors point out that only 16% of today’s undergraduates are eighteen to twenty-two year-olds living on campus as full-time students.³⁰ An increasing number of college students are adults who work. The authors foresee either radical change or the creation of new institutions

19. *Id.* at 23.

20. *Id.* at 8.

21. *Id.* at ix, 78–79, 123.

22. *Id.* at 75–99.

23. *Id.* at 100–29.

24. *Id.* at 150–80.

25. *Id.* at 88.

26. *Id.* at 75–76.

27. *Id.* at 89.

28. *Id.*

29. *Id.* at 88.

30. *Id.* at 32.

meeting the new demand for this sector.³¹ They forecast that the market for executive, post-graduate, or non-degree education may soon exceed the demand for undergraduate education, and they urge universities to focus on efforts to capture this market.³² The authors fear that for-profits will transform higher education in the “dark, market-driven future.”³³ Universities have been too slow to respond to these changes and they urge universities to make changes to compete with for-profits.³⁴

Consistent with the new market perspective on higher education is the fundamental change in how public universities are financed. The authors point out that financial support for public universities has changed from direct appropriations, to a tuition/student aid model.³⁵ Distribution of student aid is left to the market, i.e., the choices made by students. The authors rue this new confidence in market forces that has replaced public policy as the guiding principle in higher education. Public universities, which cannot as readily adjust their tuition upwards because of political resistance, cannot capture as great a share of federal dollars. Public universities are thus caught between state politicians trying to control costs with limited tax revenues to spend, and the federal government which has given universities an incentive to raise tuition.³⁶

The shift in financial aid policy represents a change in thinking about who should pay for the costs of a college education.³⁷ Between 1978 and 1998, state appropriations as a percent of public university revenue declined by 25%; over the same period, however, enrollments increased.³⁸ The authors see no hope for change on this front.³⁹ At the University of Michigan, for instance, direct appropriations now account for less than 10% of the university’s operating budget.⁴⁰ Public universities must now compete for students receiving need-based aid, or more odious to the authors, merit-based aid.⁴¹ This change in the nature of federal aid has put debilitating financial pressure on public institutions.

The authors especially dislike the shift at the state level from need-based aid to merit scholarships, a change they deem a “tragedy” because it benefits primarily middle to upper income families.⁴² The change is all the more grievous because such aid tends to benefit private institutions.⁴³ The authors explain this shift as a calculated effort on the part of states to “buy votes.”⁴⁴

31. *Id.*

32. *Id.*

33. *Id.* at 96.

34. *Id.* at 187.

35. *Id.* at 78–79, 109.

36. *Id.* at 40.

37. *Id.* at 36.

38. *Id.* at 103.

39. *See id.* at 127 (“It simply may not be possible to justify the level of tax support necessary to sustain the quality of these institutions in the face of other public priorities . . .”).

40. *Id.* at 125.

41. *See id.* at 41.

42. *Id.*

43. *Id.* at 38–40.

44. *Id.* at 41. Why states would need to buy more votes is not made clear.

The university system model of administration poses yet another financial obstacle for flagship campuses which, we are led to believe, should not have to compete for their resources.⁴⁵ Upstart regional public universities trying to develop a reputation for research compete with traditional research institutions for federal research funds and state appropriations.⁴⁶ The competition has made for less collegiality and a “confused” public, resulting in less tolerance and support for the research enterprise.⁴⁷

In the face of such financial crises, public universities have few options. The authors wisely counsel a strategy involving diversifying the university revenue base,⁴⁸ building adequate financial reserves,⁴⁹ and decentralizing budgetary decisions in the interest of cost containment.⁵⁰ They caution, though, that new financing models that make public universities more like private institutions will bring new challenges for preserving the public character of these institutions.⁵¹

Exacerbating the fiscal crises of public universities is the fact that state governments continue to deny public universities the ability to govern themselves. Control by the state, and the leadership model adopted by most institutions, insure that universities, especially large public ones, are not suited to maneuver quickly to adapt to change or challenges. Some of the book’s harshest words are aimed at the leadership and governance of public universities.

Trustees, typically named through a political process, are likely to have more allegiance to political interests than to the institution. Perhaps most importantly, they have reason to resist raising tuition rates to levels adequate to compensate for diminished appropriations. Further, trustees are insulated from the effects of poor governance, have accountability to no one, and they require no accountability of the executive leadership.⁵² The authors thus see the culture of the public university as a conundrum: the university needs strong leaders to direct change rapidly, but the culture of public universities, in both their boards and faculty, do not welcome strong leaders. It is no wonder then that we are seeing public universities’ professional schools, when they are able, effectively seceding from control of universities’ boards of trust.⁵³

In concluding that governance shared among politically selected trustees, tenured faculty, and amateur executives is inappropriate for the contemporary university, Duderstadt and Womack spare no one.⁵⁴ The executive leadership is

45. See *id.* at 171 (“By forcing flagship institutions to become a part of a general standardized system of college and universities . . . the quality of many of the nation’s leading public universities has been threatened.”).

46. *Id.* at 55.

47. *Id.*

48. *Id.* at 106–13.

49. *Id.* at 101, 113–15.

50. *Id.* at 172.

51. *Id.* at 127–29.

52. *Id.* at 165 (“There is ample evidence to suggest that, for all practical purposes, board members are effectively isolated from accountability for even the most blatant incompetence.”).

53. See David L. Kip & Patrick S. Roberts, *Mr. Jefferson’s University Breaks Up*, 148 PUB. INT. L. REP. 70–85 (2002).

54. See DUDERSTADT & WOMACK, *supra* note 1, at 151.

scolded along with trustees. Public universities have suffered under an “amateurish academic leadership model” that has elevated faculty members with little management experience and poor skills.⁵⁵ Without the skills to guide institutions through change, university leaders are neutralized by the “bribery culture” among tenured faculty and their deans who resist meaningful change unless their cooperation is “purchased.”⁵⁶ Typically, administrators lack both the authority and the will to dislodge faculty from the bunker-like structures of traditional departments. The structure of the public university from top to bottom makes it thoroughly unable to adapt to a changing environment.

In light of these challenges, Duderstadt and Womack make a number of bold proposals, but they fail to say whether any of them have yet been tried or have succeeded. They suggest several ways for universities to enter the adult education market including introducing a new advanced liberal learning degree, and establishing new alliances with community colleges to divide the research and teaching missions.⁵⁷ They propose new alliances with private business to supply new groups of adult learners, and suggest using new digital technologies to enable wider distribution of their courses.⁵⁸ They also suggest universities capture ownership of intellectual property created by faculty members for classroom use and exploit it as a new revenue source.⁵⁹ Finally, they make several suggestions for new administrative experiments to facilitate change, including rotating senior administrators,⁶⁰ diminishing the faculty’s role in executive leadership,⁶¹ and enabling presidents of public universities to help select board members just as private college leaders do.⁶²

One would like, in a book such as this, to read more about how the authors’ insights have been earned from first-hand experience. In only a few instances do we read that something worked, or did not, at the University of Michigan. The Michigan Mandate, about which the authors are justifiably proud, involved achieving consensus to diversify student enrollments.⁶³ Faced with declining appropriations, the authors managed to raise their university’s bond rating to lower the cost of debt financing.⁶⁴ But they cite scant evidence that they, or anyone else, have attempted the radical changes they suggest.

Another disappointment is that the book is marred by the authors’ premise that for public universities to succeed, private institutions must suffer. They perceive a rivalry between the two sectors and believe private institutions unfairly share some of the privileges of public universities without having the burdens of state control. The authors are angry, for instance, with the tax-exempt status of private institutions’ endowment income that allows the accumulation of enough wealth to

55. *Id.* at 122.

56. *Id.* at 174.

57. *Id.* at 94, 196.

58. *See id.* at 64, 94.

59. *Id.* at 85.

60. *Id.* at 189.

61. *Id.* at 165.

62. *Id.* at 176–77.

63. *Id.* at 50.

64. *Id.* at 113–14.

lure faculty away from public universities.⁶⁵ Elite private institutions, we learn, are “carnivores” and “predators” that steal faculty members away from public institutions.⁶⁶ They warn that if private institutions do not stop their “irresponsible” behavior, the public universities will be “compelled to unleash the T Word, *tax policy*,”⁶⁷ and use their political clout to remove the deductibility of charitable contributions to private institutions as well as tax exemption for their endowment income. The authors also suggest that the amount of federal student aid available for use at elite private institutions should be limited.⁶⁸

They further attack the elitism resulting from selective private admissions on the grounds that it has skewed the public’s notion of quality in education.⁶⁹ Private institutions are too selective, they argue. Their selectivity in admissions has been pushed to “extreme limits” and the authors conclude, “It is time to ‘de-Harvardize’ higher education in America.”⁷⁰ The private institutions have effectively misled the public into thinking a selective private college is more desirable than a public university.

But the authors have an almost schizophrenic view of private institutions. In an ironic compliment to private higher education, they foresee that the best course for public universities is to become more like private colleges. They want public universities to gain the ability to set their own tuition rates, select their own leaders outside of public scrutiny, and limit their mission to a more manageable set of goals. In both their forecast and recommendations, the authors see a convergence of the public and private models of funding, governance, and mission.⁷¹

All said, the authors are not sanguine about the prospects of public universities. The best hope they offer is that public universities will become more like the best private institutions in their governance and financing while retaining a mission of public service. They have given us, by the end, strong reason to conclude that state governments are ill suited to run colleges and universities. The challenges the authors enumerate for the public university are in truth a list of the reasons they have failed, and will continue to fail, at their core missions. This is clearly frustrating for someone like Duderstadt who has been outspoken for responsible change in the academy. He has advocated reform of intercollegiate athletics and sought to change the selection process of the University of Michigan’s trustees.⁷²

If the public university is not yet a failed project, Duderstadt and Womack leave little doubt that it is at risk.⁷³ The authors’ fear is that unless radical changes are made, public research universities, if they do not first unravel, are destined to sink into mediocrity. To this reviewer’s mind, the reality is that most public universities are already comfortably settled there, even if the “great” state

65. *Id.* at 214–15.

66. *Id.* at 28.

67. *Id.*

68. *Id.* at 215.

69. *Id.* at 42–44.

70. *Id.* at 44.

71. *See id.* at 184–89.

72. *Id.* at 199.

73. *Id.* at 105.

campuses are still fighting against gravity.