

8 Coming of Age in America

Higher Education as a Troubled Giant, 1970 to 2000

A Proliferation of Problems, 1970 to 1980

What was the best explanation for the widespread good fortune experienced by American higher education in the quarter-century after World War II? To McGeorge Bundy, the former dean of arts and sciences at Harvard who served in U.S. president John F. Kennedy's cabinet and then joined the Ford Foundation, the answer was clear: "A rising tide lifts all boats."¹ If that was a reasonably good description of the buoyant era American higher education had enjoyed, the converse was true for the next decade. All institutions experienced turbulent waters between 1970 and 1980. One omen of this abrupt shift was that in 1970 the Institutional Investor Conference brought together two thousand of the nation's top money managers. They picked the National Student Marketing Corporation as their prediction for stock of the year. However, over the next five months the NSMC share price fell from \$140 to \$7. This, along with other events, signaled the end of higher education's "golden age."² A fitting new slogan for higher education would have been Bette Davis's line in the 1950 Hollywood film *All About Eve*, "Fasten your seat belts! We're in for a bumpy ride."

That warning would have been disconcerting to academic leaders because it would have been unexpected. Wasn't higher education, after all, a large, successful enterprise when judged by its 1970 profile? Enrollments were healthy, having reached an all-time high of 8.65 million students taught by 383,000 full-time instructors at 2,573 institutions. These same institutions conferred 1,072,581 bachelor's degrees during the 1969–70 academic year. Whereas two decades earlier, economists had warned of a looming shortage of Ph.D.'s, by 1970 universities had resolved that problem, as demonstrated by the awarding of 29,872 doctorates in the

academic year 1969–70, in contrast to the 6,420 awarded in 1949–50. Total current fund income for American higher education in 1969–70 was \$21.5 trillion (\$98.1 trillion in 2000 dollars), an increase of a bit more than \$9 trillion since 1965–66. At the same time, changes in access included major enrollment gains for racial minorities and women. These cumulative gains led Clark Kerr to call the period from 1960 to 1980 “the great transformation in higher education.”³

The robust statistical profile, however, was misleading because it did not depict details that indicated fundamental crises percolating within higher education. If American higher education in 1970 was a huge enterprise, it was also a troubled giant. Foremost among the problems was a decline in confidence, both within its own ranks and among external groups. One obvious weak point was that the higher-education community had very little systematic information about itself, let alone thoughtful analyses to assist planning. A partial remedy came about in 1967, when the Carnegie Corporation established the Carnegie Commission on Higher Education. Led by Clark Kerr, the former president of the University of California, the group published an extensive series of commissioned research reports on the condition and character of higher education in the United States. The Carnegie Commission expired in 1973, and the Carnegie Council on Policy Studies in Higher Education succeeded it from 1974 to 1979.⁴

The studies were good, but the news in their findings was not. Economist Earl Cheit, who served as dean of the business school at Berkeley, presented the sobering, unexpected conclusion that higher education was on the brink of a “new depression.”⁵ This finding was in stark contrast to the public image of higher education as a “growth industry,” its stability reflected in solid buildings and sound values. According to one account, “Cheit’s probing of financial trends was as unwelcome and unexpected as a termite inspection report warning of a deteriorating foundation under a magnificent edifice.”⁶ In fact, colleges and universities in all sectors were overextended in their annual operating budgets and long-term endowments. They were ill equipped to handle sustained declines in funding. And although higher education claimed to have undergone a “managerial revolution” since World War II, there were indications that institutions were not always informed or fluid in their responses to changing situations. The so-called knowledge industry was characterized as cumbersome, not altogether unlike the troubled automobile and steel manufacturers elsewhere in American industry. This institutional

lethargy was conveyed graphically by Lewis Mayhew when he wrote in 1980, about one large university, "As late as 1967 its financial records seemed to be maintained in pen and ink in schoolboy notebooks. The cautious thrift of the place was well revealed by its maintaining balances of several million dollars in non-interest gathering checking accounts, with the business manager pleased that the bank did not charge for checks written."⁷

One syndrome related to this lack of fiscal fitness was that the pervasive appeal of expansion across all institutions had led to a proliferation of new degree programs and fields of study. It was predicated on a belief in continued enrollment growth and generous funding over the coming decade—presumptions that turned out to be incorrect. A secondary consequence of this overexpansion in higher education in the United States that caused some alarm was homogenization and loss of institutional distinction. Harold L. Hodgkinson's comprehensive 1971 study *Institutions in Transition* received front-page coverage in virtually every major newspaper in the country. Its findings were that American colleges and universities were drifting toward an "omnibus model" in an attempt to be all things to all constituencies. The underlying theme was that many institutions were scrambling to add new programs and enroll new kinds of students in a haphazard effort to be attractive and to imitate rival colleges.⁸

How, then, was one to make sense out of the more than twenty-five hundred institutions that were loosely lumped together as "postsecondary education"? One step was the annual collection of standardized data from each college and university. The federal government helped by developing the Higher Education General Information Survey, or HEGIS, an instrument that included enrollments, basic budgets, and degrees conferred. It was a start, and later it was expanded and then renamed Integrated Postsecondary Education Data Systems, or IPEDS. Yet even the comprehensive statistics were perplexing in that they lumped together disparate institutions. The familiar categories of "college" and "university" were vague. The response of the Carnegie Corporation was to sponsor a task force whose product was the so-called Carnegie Classifications: operational definitions that distinguished a "research university" from a "doctoral-granting university," a "comprehensive university," a "liberal arts college," or a "two year college." The system's authors had intended to create a neutral categorization of institutions, but their format was quickly misinterpreted. Institutional spokesmen and

the external public saw it as a hierarchical ranking scheme. Over the next two decades this attempt at creating order actually increased the chaos among institutions. What was intended to bring descriptive order to higher education had the unintended consequence of setting off a competitive rush by institutions to meet the operational criteria that would qualify them to be placed in another allegedly more prestigious category.

Between 1970 and 1980, however, the habitual push for prestige was muted by national studies whose findings emphasized the shortfalls of American higher education. The Newman Report (1971), sponsored by the Department of Health, Education, and Welfare, concluded, "It is not enough to improve and expand the present system. The needs of society and the diversity of students now entering college require a fresh look at what 'going to college' means." The panel of authors elaborated: "As we have examined the growth of higher education in the postwar period, we have seen disturbing trends toward uniformity in our institutions, growing bureaucracy, overemphasis on academic credentials, isolation of students and faculty from the world—a growing rigidity and uniformity of structure that makes higher education reflect less and less the interests of society."⁹ The solution was not merely to refine existing structures. Indeed, the relatively new multicampus systems were depicted as inflexible and dysfunctional. Frank Newman and his fellow commissioners argued that higher education needed to change course, and to that end they encouraged new educational enterprises whose features included achieving equality for women, expanding minority access, and promoting diverse structures and funding mechanisms. Their recommendations represented a shift toward what was termed "social justice" and away from academic "business as usual."

Along with being stuck in this structural quagmire, colleges and universities inherited a succession of problems caused by external crises over which they had little control. "Stagflation," the unusual phenomenon of double-digit annual inflation coexisting with declining productivity in the national economy, translated into a situation in which college revenues were flat at the same time that prices of goods and services were increasing. One source of the problem was the OPEC oil embargo, which caused fuel prices to soar—a fourfold increase in three years. This was an especially difficult proposition for colleges whose abundant new construction projects during the 1960s had included temperature systems and other maintenance features that relied on cheap energy. Elec-

tricity that had been highly affordable in 1967 was prohibitively expensive in 1974.

The initial response of college and university presidents was to look for immediate ways to cut expenses, including deferring maintenance on buildings and grounds and then reducing departmental budgets for photocopying and postage. After a few years it became clear that such tactics were inadequate, even counterproductive. An unkempt campus, for example, was a false economy if it repelled prospective students and their parents. And postponing repairs and replacements meant facing extraordinarily higher costs down the road, thanks in part to the double-digit inflation.

Demographics also played havoc with the assumptions of sustained growth. A declining birth rate coupled with the end of the mandatory U.S. military draft meant that going to college decreased as an attractive option to many Americans between the ages of eighteen and twenty-two. Another factor was that migration of families out of the Rust Belt of the upper Northeast and Midwest and into the Sun Belt states of the South and Pacific Coast meant that colleges and universities were maldistributed. Vacancies in the dormitories and classrooms of Our Lady of the Elms College in upstate New York were of little use in accommodating high school seniors proceeding through the educational system in Arizona or Texas. The scope of the external problems was brought home in 1975–76, when higher-education enrollment declined by 175,000—the first drop since the tapering off attributed to the waning of GI Bill participation in 1951.

Demographics as Destiny

One of the more perceptive accounts of the growing pains that plagued higher education around 1970 was written by sociologist Martin Trow, who concluded that the uncertainty and structural overload of higher education were largely rooted in demographics. Higher education in the United States had worked reasonably well when asked to make the transition from elite to mass higher education (i.e., to try to accommodate 40–50 percent of high school graduates). However, the structures started to buckle when expected to fulfill a commitment to universal higher education, a challenge that had been exacerbated in the 1960s by an overall population increase, especially in the eighteen- to twenty-two-year-old age cohort.¹⁰

In short, quantitative changes had elicited qualitative changes in the character of the American campus. What this revealed was that Americans, as taxpayers, legislators, governors, and donors, had been successful in building structures that extended postsecondary education in such a way that programs were reasonably accessible and affordable to virtually any American who sought formal instruction beyond high school. However, this was a hollow victory in that it left the inner workings of colleges and universities in disarray, with diminishing coherence of curriculum and declining confidence in what the college experience meant.

The extension of higher education from mass toward universal access was indicative of a trend toward consumerism. In response to the allegation that colleges had long been relatively impervious to student needs and the changing academic demands of new constituencies, the competition for students, donors, and grants prompted many institutions to offer programs that were attractive. Within the aggregate data, other important developments warranted attention. Whereas in 1950, higher-education enrollment was about equally divided between state-supported institutions and independent colleges, by 1970 the balance had shifted substantially, with public higher education accounting for about three-fourths of the enrollments. The trend continued over the next decade so that by 1980 a bit over 78 percent of all students attended public institutions. And if one looked at the enrollment of first-time freshmen, the national profile showed that more than half were enrolled at public community colleges in 1980.

This is not to say that four-year colleges, especially four-year private colleges, declined in enrollments between 1950 and 1980. Indeed, their freshmen enrollments more than doubled, having increased from about 206,252 to 435,604 in that thirty-year span. The proportional change was due to the unprecedented expansion (and appeal) of low tuition at nearby public institutions. Freshman enrollments at the two-year community colleges and technical institutes grew from 82,000 in 1950 to 494,000 in 1965 and 1.3 million in 1980—more than a fifteen-fold increase over three decades. The significant (and often overlooked) corollary was that most “freshmen” did not attend a four-year residential campus. The two year, part-time public commuter campus had quietly but persistently come to have a strong presence in shaping what was entailed in “going to college”—even though the dominant image of the “real college experience” remained indelibly linked to the four-year, full-time residential tradition.

Federal Funding and the Transformation of Student Financial Aid

Student consumerism induced another substantial transformation in the conduct of American higher education in the early 1970s by bringing the federal government into higher education as a major source of need-based student financial aid. Heretofore the bulk of federal funding for higher education had been directed at sponsored research and development along with periodic special projects for capital construction. Even though the 1947 Truman Commission Report had emphasized the importance of affordable tuition, fulfilling that mandate had received little attention from the federal government. The immensely popular GI Bill of 1944 did not become the model for a program extended beyond the immediate postwar period and expanded to serve students other than military veterans. The primary apparatus for affordable college-going had been state government, via per capita subsidies and low in-state tuition charges for state residents. Between 1964 and 1971 the few signs of federal provision for student financial aid were confined to competitive fellowship programs and some entitlements for children of military veterans. Work-study programs, in contrast, had been attractive to Congress and taxpayers because their spirit of self-help and productive labor seemed more palatable than an investment in grants. But this resistance to direct student grants changed as the price of going to college increased in the late 1960s.

The pendulum swing from federal emphasis on competitive research grants toward undergraduate need-based financial aid came about gradually and unexpectedly. In the mid-1960s the high-powered research universities were confident that generous funding from U.S. agencies for research would eventually be supplemented by direct institutional aid.¹¹ Their optimism was based on the high regard in which universities were held. Public confidence in their conduct and public satisfaction with their ability to deliver research products suggested that the United States Congress would soon follow suit with thanks for a job well done. However, the campus unrest, the tensions over the federal presence on campus, and the ensuing loss of trust by Congress in the ability of university administrators to run their own institutions cooled the mutual admiration between Capitol and campus. The established research universities faced another source of tension: grumbling among members of Congress as well as numerous campus presidents. The concentration of re-

search grant dollars among a relatively small number of prestigious institutions rankled legislators from such regions as the Southwest and the Southeast—and from all regions when their constituents included university presidents whose institutions were not in the charmed circle of “federal grant universities.” The net effect of this imbalanced research patronage was to weaken the consensus of support for emphasizing peer-review research and development programs—and to kindle some interest in funding alternatives.

Even though major universities and such groups as the Association of American Universities and the American Council on Education had a strong lobbying presence in Washington, D.C., relatively young student lobbying initiatives quietly upstaged them between 1970 and 1972. The subsequent campaigns have been considered the most contentious battle within the ranks of higher education. Most interesting about the student groups is that they went about their work outside the formal umbrella of university presidents and boards—an action that generated increasing uncertainty about precisely who “spoke for” higher education. The Carnegie Commission and the Rivlin Commission were the only established national higher-education groups that endorsed emphasis on portable student financial aid rather than direct federal subsidies to institutions—a position that many higher-education officials considered to be tantamount to “treason.”¹² The student coalitions had little recognition within the established higher-education associations housed in Washington, D.C. What they did have was great appeal to members of Congress, especially those facing reelection. The conventional support of federal research programs now had the potential to disappoint several constituencies. The unexpected and pleasant alternative was need-based student financial aid that was portable and readily available to a large number of constituents.

The resultant Basic Educational Opportunities Grants (BEOG) program, soon renamed the Pell Grants in honor of Senator Claiborne Pell of Rhode Island, represented a belated fulfillment of the 1947 Truman Commission Report’s recommendations. Enacted as a 1972 amendment to the 1964 Higher Education Act, the BEOG was entitlement. This meant that any applicant who complied with its terms was guaranteed financial aid. Typically compliance required that one would have to have been accepted by and enrolled in an accredited institution of postsecondary education. One would have to be a full-time student, as demonstrated by enrolling for twelve credit hours per semester. One would have to

maintain good academic standing. If these criteria were met, then a student could qualify for up to \$1,250 per year in federal student financial aid (this 1972 amount is equivalent to about \$5,100 in 2000 dollars). It is important to note that the program dealt with grants, as distinguished from student loans. Also, eligibility was confined to full-time undergraduates.

The program's most novel feature was that the financial aid was portable. It was awarded to the individual student, not to an institution. True, the money would be deposited into the student's college account once he or she enrolled. But the portability feature meant that hundreds of thousands of recipients now had both the means to go to college and a choice as to which college to attend. The reciprocal effect on colleges and universities was that they now had to compete to attract applicants who could bring their Pell Grant dollars to the bursar's office. At a time when many colleges feared rising operational costs and declining numbers of students, the enactment of the BEOG / Pell Grant Program was a lifesaver—provided that college administrators took the initiative to reach out to potential students. Not only did the federal program cast a wide net across the socioeconomic landscape, it simultaneously encouraged all accredited institutions to participate. Citrus Community College in California, for example, could work to enroll Pell Grant students at the same time that Stanford University could. Neither institution was rewarded or punished for its particular academic admissions requirements. And since the Pell Grant program was an entitlement that accommodated all qualified students, there was no "zero sum" that made a gain for the community college a loss for the elite university.

Much to the delight of incumbent United States senators and representatives, the Pell Grant program and other subsidiary federal student aid programs made many parents and voters happy, and allowed all accredited institutions to compete for students awarded federal aid. Access to and support of undergraduate education had been quickly transformed to show substantial commitment to incentives and choice. Between 1972 and 1978 the Pell Grant program was popular with students and institutions, and it helped promote the appeal of "going to college" to a new generation of students at a time when colleges needed this boost. By 1990 the program typically served 3 million students, with awards totaling \$4 billion, per year (\$5.2 billion in 2000 dollars). In 1997–98 the figure had increased to 3.8 million students, with total funding of \$3.8 billion (\$4 billion in 2000 dollars).

The large scope and success of the federal student financial aid program did not mean an end to, or even a reduction in, the various federal research grant programs offered by U.S. departments and agencies. It did establish student financial aid as one of the two enduring planks of federal support for higher education, the other being sponsored research and development. The program's other legacy was that since most post-secondary institutions in the country were receiving monies via the Pell Grant program, they were now subject to the conditions of federal regulation that went along with accepting such monies. Perhaps the most significant legacy was that the Pell Grants positioned the federal government's higher-education policies and programs to give serious attention and resources to civil rights and social justice.

Starting in 1978, however, the focus of federal programs for student financial aid changed, from an emphasis on grants for students with financial need toward an emphasis on readily available student loans. The Guaranteed Student Loan Act was especially attractive both to banks and to students from relatively prosperous families. As such, it extended the net of participants. The price of this short-run popularity, however, was that in the coming decades the emphasis on federal loans meant that an increasing number of recent college graduates would be saddled with large amounts of debt.

The Changing Profile of Students after 1970

Student unrest persisted into the early 1970s but had waned by about 1973. One enduring legacy of the organized student movement was recognition by students of their rights as consumers and as members of the campus community. The result was that many institutions created a slot for students on their governing boards. In some cases administrators overestimated the enduring political commitment of undergraduates. The "Princeton Plan," for example, proposed to allow students a break from class attendance to be used for volunteer work in the presidential electoral campaigns. It expired quietly for lack of interest.

The enrollment decline of 1975–76—and the fear of a continued downward slide—had two consequences for campus administrators. First, they paid increasing attention to students and their parents in their provision of services and curricula. Second, colleges started to acknowledge part-time students and returning, older students as constituencies that warranted courtesies and accommodations. Terminology like "non-

traditional student" worked its way into admissions offices and student affairs centers. Psychologist Patricia Cross published a profile of the "new learners" that served as a guidebook.¹³ Deans and faculty increasingly acknowledged that their student constituencies would not always be dominated by full-time, residential students between the ages of eighteen and twenty-two. Nor could college officials assume that their constituency planned to finish a bachelor's degree in four years and then go on for an advanced degree.

Even though many public universities had entered into articulation agreements with public community colleges, a student who wished to transfer and complete a bachelor's degree at a four-year institution faced snags of incongruence and uncertainty in the review of course credits and fulfillment of bachelor degree requirements. At the same time, numerous independent four-year colleges took the initiative to recruit and enroll two-year college transfer students. The quest for upper-division students who sought to complete a bachelor's degree also prompted four-year colleges to offer courses and degree programs at off-campus locations convenient to a critical mass of transfer students. In this scheme of academic consumerism, classrooms at a military base or evening courses in a downtown location expanded access for nontraditional students and enabled many colleges to maintain undergraduate enrollments at a time when the customary pipeline of high school graduates was shrinking.

If the generation of undergraduates in college in the mid- and late 1970s had turned away from the political activism of their predecessors, they had not forgotten the 1960s' lessons about the power of collective strength to influence the character of the campus. Faculty noticed a "new vocationalism"—in particular, an obsession with preprofessional studies. Enrollments soared in such fields as business administration, management, accounting, and anything else thought to confer an edge in admission to graduate programs in law, medicine, or business. Within the extracurriculum, students and their parents simply were no longer satisfied with the lean services the campus of the 1960s had offered. Career-planning offices and a host of other student services proliferated. Dank, sweaty gymnasias were replaced by state-of-the-art health and fitness centers that rivaled Club Med. The Spartan dormitory, characterized by cinder-block walls, a pay phone in the corridor, and public bathrooms, was replaced by apartment suites complete with kitchens, lounges, and ample wiring for stereo systems and, later, computers.

New services were not the only changes in campus life. Deans of students increased the options undergraduates had for living arrangements. "Theme houses" that brought together students who shared an interest in such fields as Russian studies or theater arts supplemented dormitories and the fraternity-sorority offerings. Most dramatic was the introduction of coeducational dormitories. Squeamish parents and outraged clergy complained that college officials had abdicated moral responsibility by endorsing such residential patterns. Critics' fears about wild sexual abandon were unfounded—at least, wild sexual abandon as a consequence of the coeducational dormitories. At Rutgers University, for example, anthropologist Michael Moffat's 1989 study *Coming of Age in New Jersey* detected a surprising countereffect. Men and women in coeducational dorms tended to form caring relationships more akin to the brother-sister bond. Amorous relations between suite mates were considered taboo, and students from outside the dorm who came in as dates would be subjected to concerned scrutiny. Gender proximity in campus housing, contrary to parental predictions, had not eliminated modesty and self-consciousness.¹⁴

More intriguing than the dynamics of coeducational residence halls were the other changes that Moffat found in the undergraduate culture of the large university of the 1980s. Students in the dorms often had only incidental connection to or allegiance with the organized, university-wide student activities and services. Varsity teams, for example, were viewed by most undergraduates as a world apart. The Rutgers football team was described by a range of undergraduates as a distant professional activity that commanded no more (and no less) loyal rooting than the nearby New York Giants professional football team. Moffat's study also affirmed for the 1980s what Laurence Veysey had found for undergraduates a century earlier: there persisted a wide gulf between students and faculty as to what the college experience was all about. Even achievement-oriented undergraduates had scant notion of what professors did or what an academic career entailed.¹⁵

Professors and students on a large campus did share one characteristic: few in either group knew the name of the dean of student affairs. The "hidden curriculum" of the contemporary university was that students learned how to navigate large organizations—an acquired skill that would be indispensable in adult life. Each student carved out subculture alliances, geographical turf, and a strategy for academic survival. Study was but one of many activities that competed for students' time and at-

tention, with a choice of major and degree objectives being part of an elaborate student pecking order and code. In an interesting aside, Moffat explored the charge that students of 1987 studied less than their counterparts of an earlier generation had done. His surprising finding was that although students often saw courses as obstacles to be hurdled or dodged, most undergraduates seemed to be as diligent and concerned about "getting ahead" as students had been a century earlier.¹⁶

During the 1980s there were indications of a substantial change in what had been known for almost a century as the "collegiate culture." Whereas the campus had once been a crucible of undergraduate fashions and values, it was now overwhelmed by a larger "youth culture" of music, tastes, and vocabulary that enveloped students while they were in high school and continued to pervade student life even in college. This meant that the ground rules of initiation into college life had changed. Once colleges and universities had accommodated the creature comforts of students, they had to face the more difficult task of dealing with a new set of instructional problems fostered by this cultural change. Perhaps the biggest change in institutional attitudes toward undergraduates between 1950 and 1970 was concern about retention and degree completion. Administrative indifference to attrition rates of 25 percent or more of an entering freshman class had ceased to be acceptable. Professional advising, new teaching and learning centers, expanded student services, and a variety of other institutional tools were implemented to increase the odds that a student persisted and graduated. One state government strategy was to divide its per capita subsidies. Part would be paid on entering enrollments, with the remaining payment to the institution being calculated on such measures as course completion or degree conferral.

Each campus faced another incentive to analyze and then respond to student attrition—namely, the exorbitant cost of undergraduate instruction. Careful audits at some state universities in the late 1970s revealed that weak performance by freshmen and sophomore students was disrupting the fundamental resource allocation strategy. The original plan was that a large undergraduate base reduced per capita expenditures, thus freeing up more tuition dollars for advanced courses and seminars for upper-division students and graduate students. The dynamics of the lower-division undergraduate culture dismantled this logic and turned the actual costs upside down. This internal revelation included the discovery that even prestigious research universities were interdependent with the character of American high schools. The rising

failure rates in freshman-level English composition, mathematics, and science courses were attributed in part to secondary schools. Although a student may have received an A in high school calculus, the frequent dilution of the high school curriculum provided no assurance that a student had the requisite knowledge a university mathematics instructor presumed. Revelations of such gaps in academic preparation were not confined to open-admissions institutions. The dean of admissions at Stanford, for example, alerted professors in 1978 that although they had the luxury of selective admissions, even their academically talented entering students showed alarming signs of uneven analytical and writing skills.¹⁷

When underprepared freshmen dropped courses—or failed them—they came back to haunt the funding procedures by reenrolling a semester later and, often, dropping the course yet again. The university had already spent the state student subsidy but now was “churning” by devoting increased time, course slots, and classroom space to underachieving students. The syndrome was extended by such undergraduate practices as “going shopping” early in the semester: enrolling in, say, six courses on the first day of class, then reducing that number to four a few weeks later. The pragmatic message was that a flagship state research university was unintentionally investing a large proportion of its limited resources in freshmen students who often did not persist.¹⁸

To save money, colleges and universities had to spend money. Resources first had to go into a variety of support services that would help undergraduates stay afloat academically. What had been left to chance in 1950 was a matter of deliberate concern—and investment—in 1980. The effort also extended into increasingly sophisticated student-centered programs and activities beyond the teaching and learning of the classroom. Deans—and, later, faculty—acknowledged the growing diversity of the undergraduate body in numerous dimensions, including age, gender, income level, and academic preparation. In place of assumptions about a typical undergraduate experience involving four years of full-time study, academic advising increasingly came to accommodate diverse patterns. “Stopping out” joined “dropping out” in the lexicon. Internships, field experiences, study abroad, and numerous other innovations gradually came to be accepted components of the bachelor’s degree experience. One of the more decisive acknowledgments of these changing conceptions of the college experience was that federal data collection extended its compilations on “bachelor’s degree completions” from four

years to five years and then to six years as the norm. A windfall of this institutional scrutiny was that universities were eventually forced to re-discover the importance of undergraduate education. Creating honors colleges, freshman seminars, and interdisciplinary fields and rewarding faculty who showed commitment to teaching and advising undergraduates were signs of at least partial reform within the research university.

Profile of the Faculty

To gain a sense of the changed climate of American higher education after 1970, it is useful to consider how the American professorate saw itself as well as how it was depicted in the national press. For example, Christopher Jencks and David Riesman had gained both fame and infamy for their 1968 book *The Academic Revolution*, which charted the rise to power of faculty and the academic profession, both within institutions and as influential, well-paid experts in American society. David G. Brown had painted a similar picture in *The Mobile Professors* (1967), which projected a long-term shortage of college teachers. But the celebration was short lived. A provocative, timely study published just a few years later was entitled *Academics in Retreat*.¹⁹ By 1972 the end of a fifteen-year hiring boom had left the academic profession with reduced mobility and little leverage in their power to influence institutional decisions.

The academic job market had dried up in all but a few fields. Whereas in 1965 a new Ph.D. from a major university usually received three or four tenure-track job offers, by 1972 there often were no job vacancies posted.²⁰ It was not unusual for a tenure-track faculty vacancy to attract hundreds of qualified applicants. Neil Smelser and Robin Content, for example, documented how an announcement of two positions in the sociology department at Berkeley in the late 1970s attracted over three hundred applicants.²¹ The hiring boom of the 1960s had saturated most institutions, with little prospect for vacancies for years to come. This professional clogging was due to the peculiar dynamics of faculty careers. A tenure-track job offer followed five or six years later by promotion to associate professor with tenure typically represented a twenty- to thirty-year investment between institution and individual. At the same time that the national job market for academics was reaching saturation, the expanded number of Ph.D.-granting programs were tooled up to assure a constant flow of new Ph.D.'s into the academic market for years

to come. What would have been a marvelous solution to higher education's needs in 1960 had become the millstone of a glutted market in 1980.

In the array of problems facing presidents and boards, faculty were not a primary object of concern. One reason was that presidents and provosts enjoyed a buyer's market. Established as well as ascending institutions had the luxury of choice in hiring new professors. Now they could compete for faculty credentials of a kind that in the 1960s they might have been unlikely to land. And since few tenured professors had the option to consider good jobs elsewhere, the balance of governance power shifted away from the faculty back to the administration.

As Roger G. Baldwin and Jay L. Chronister documented, one disturbing institutional response to the glutted market for faculty was to rely increasingly on adjunct faculty—"teaching without tenure," a practice that heralded an administrative erosion of academic freedom.²² This undermining of customary academic rank and tenure was particularly problematic for faculty at community colleges. Norton Grubb and his research associates concluded that professors at the public two-year institutions were becoming "honored but invisible."²³ And the short-term solution of consolidating departments with low enrollments tended to evade essential questions about what a college or university ought to offer in order to be legitimate. The net result was that the morale of professors was not high. The situation led Howard Bowen and Jack Schuster to conclude a national study with the observation that faculty were "a national resource imperiled."²⁴

The Community College

The community college was the institution that stood poised to gain from the flux in American higher education in the 1970s. In many states, funding for construction and operation was available, even ample. Since many community colleges were "open admission," they could accommodate a range and variety of students. The academic transfer function coexisted with vocational programs. Furthermore, the public two-year colleges started to add new missions and new constituencies. Providing recreational or community-interest courses—with or without degree credit—ascended as an option. Continuing education and certification for a variety of business and professional fields constituted another attractive domain. To another extreme, the community colleges frequently took on remedial education. And the community college's most incon-

gruous and interesting innovation was to offer advanced courses that provided retooling for applicants who already had bachelor's or master's degrees.

This proliferation of missions and constituencies was fueled by a state funding formula that provided a per capita subsidy for each student enrolled in a course. The formula's weakness was its lack of guidance on what was—and what was not—appropriate for the community college to offer.²⁵ Eventually signs of concern surfaced. The first alarm came from state universities that historically had relied on the public two-year colleges to provide the lower-division academic work that then led to transfer to the four-year campus. In some states, especially California, the concern was twofold. First, the number of community college students who applied for transfer to the four-year colleges declined drastically. Second, the academic record of those who did transfer lagged in comparison to earlier generations of transfer students—and in comparison to those students who entered the university as freshmen. The result was that four-year institutions lost a great deal of confidence in the community college as a reliable transfer institution.

The reservations the four-year institutions had about the community colleges' effectiveness extended to the more general question of retention and attrition. The convenient catchall explanation among community college officials was that since their students were diverse in background and preparation, it was difficult and perhaps inappropriate to subject the institution to conventional models of monitoring student retention patterns. One counter to that statement was the allegation that the two-year public colleges often institutionalized a predictable abuse of ill-prepared students, becoming "revolving-door" colleges or promoting a "cooling-out" function whereby students who stood little chance of academic survival blamed themselves for their eventual academic failure.

A second source of concern emerged when a number of research studies examined the community colleges' claims to being a source of good training for entry-level vocational jobs. One example of the philosophical disarray was the paradox that when a student dropped out of a technical course, it might actually be proof that the community college was doing a good job. The example most frequently invoked was that of air-conditioning repair classes. If a student quickly acquired the requisite skills for a well-paying job in this field, why bother to complete the course, let alone the two-year degree? Such models created a nightmare for assumptions about enrollment and curriculum planning. Equally

perplexing was the lack of certainty that the vocational courses had much direct connection with the local economy. Many college officials predictably and understandably dismissed the analyses as flawed, and hence unfair. What did endure was uncertainty about the clarity of the community college's missions and their ability to demonstrate educational effectiveness, however defined.

Debates over effectiveness were incidental during times of economic prosperity. However, in the late 1970s, when most states were facing revenue shortfalls, academic accountability became an enormous factor in deliberations over funding. Nowhere was this problem more acute than in California, where in 1978 Proposition 13 placed a cap on local property taxes and reduced the flow of funding for the state's 120 community colleges. For the first time a California governor asked taxpayers whether it was reasonable to charge even modest tuition for a community college course. Or, put another way, if community colleges charged no tuition, ought there to be a limit on the number of times a citizen could enroll in and then drop a particular course?

Budget constraints also forced community colleges to rethink their omnibus mission. What was more important: to serve as a port of first entry for underserved and undereducated individuals, or to provide postgraduate refresher courses or retooling for citizens who already had bachelor's and master's degrees? The opportunity to be the "people's college" in every sense of the phrase was a source of institutional ascent in prosperous times but a millstone during a state recession. Community college advocates argued forcefully that posing the policy question in that manner was foul play because it was a false dichotomy. Why not do both?

Doubt about the educational efficacy of community colleges was most extreme in the research of Alexander Astin. He expressed his first reservations in his 1977 book *Four Critical Years*, in which he concluded that widespread reliance on the public two-year college as the port of entry for a first generation of college-going students was a recipe for low gains in cognitive skills and changes in beliefs and values.²⁶ Then, in his 1993 sequel study, *What Matters in College?*, Astin made the matter-of-fact comment that he had excluded community college students from his survey data on the impact of the college experience.²⁷ His rationale was that community colleges were not real colleges. This was only one researcher's opinion. Yet Astin was influential, and it is disconcerting that

he had written off the institutions at which almost half of all college freshmen enrolled.

Budget Problems and Trade-offs: Brown University in 1980

Hard questions about educational equity and effectiveness were not confined to the public two-year colleges. Even the members of the Ivy League were confronting budget problems that raised essential philosophical questions. The ways in which the macro issues filtered down to campus governance were graphically captured in the situation Brown University faced in 1979 – 80. According to Debra Shore, "Soaring energy costs and a larger-than-expected enrollment of freshmen needing financial aid have thrown Brown's balanced budget into a precarious position and the University now faces some difficult questions. Can Brown afford financial aid to students? If this were so, then at what cost? And if not, what does that mean for diversity—racial, geographic, economic—in the student body at Brown?"²⁸

Most presidents would have loved to have had Brown's problem: more qualified applicants than slots; a relatively high per capita endowment; a supportive, established alumni; and an attractive niche within higher education as a small university whose faculty combined scholarship with teaching. But institutional health is relative. Within the Brown administration, the concern was that resources were stretched, especially in contrast to the strength of its fellow members of the Ivy League. The price of tuition and expenses for one year had risen to \$10,000 in 1981 (about \$18,900 in 2000 dollars)—making Brown one of the most expensive colleges in the country. It was also one of the most generous, fulfilling its commitment to need-blind admissions and need-based financial aid. The budget crunch brought about by rising energy consumption and operating costs seared through the soul of the campus, forcing a reconsideration of whether Brown could continue its admissions and financial aid policies. Increases in tuition and other charges simultaneously helped and hurt the university's revenues. Since more than 30 percent of Brown's undergraduates received substantial financial aid, any increase in tuition increased the university's expenses if it was to meet the recalculated financial aid needs of its students.

The obvious question with no obvious answer was, What were sources within university expenses from which money could be saved and then

be shifted to student financial aid? Options included decreasing faculty and staff salaries, reducing operating hours and budgets for libraries, and other internal curtailments—each of which would have made Brown less effective as a teaching and research institution. One of the more controversial proposals to save money was that Brown step back from its universal commitment to need-blind admissions. In other words, the university administration could claim the prerogative of not offering financial aid to all its applicants who were offered admission.

There was, of course, no response that would satisfy all constituents. Brown's tradition of need-based financial aid was important in both real and symbolic terms for its commitment to meritocracy. To turn away from that policy at this time was particularly risky because an increasing number of education-minded and prosperous families were giving increasing attention to the ascending state universities with low tuition charges as an option for their college-bound children.²⁹ Some independent colleges opted for "merit scholarships" that had no financial need requirement as a strategy to compete for the brightest students, regardless of family income—a policy that was most attractive to affluent parents who would not qualify for need-based aid. The net result was the emergence of new ground rules and new student constituencies in the rough-and-tumble market of college recruitment in which deans of admissions came to rely on proactive techniques and strategies to attract potential students.

Learning from Adversity

Starting in the early 1970s, articles about higher education, whether in the popular press or in professional journals, broadcast a message of woe. Colleges, along with hospitals, social service agencies, museums, performing arts centers, and charitable organizations, were depicted as an "endangered sector," stuck in what Waldemar Nielsen called the "crisis of the nonprofits."³⁰ Higher education's new depression, whose clouds had been sighted on the horizon as early as 1973, threatened to be an extended monsoon season. The sobering postscript was that captains of the campus were told not to expect much in the way of financial flood relief from the federal government. By 1975 most presidents and boards had to face the undeniable fact that their institutions faced problems that were chronic, not transient. Articles published in 1978 in such national magazines as *Time* and *U.S. News and World Report* warned that colleges

faced a "life and death struggle" and that it was a "buyer's market as colleges scramble to fill space." Systematic studies also concluded with projections about a potentially high rate of institutional mortality. Symptomatic of this extended concern was the popularity of Lewis Mayhew's thoughtful advice manual, *Surviving the Eighties*, and the Carnegie Commission's concluding report, *Three Thousand Futures*.³¹

So although higher education had been hailed for its "managerial revolution" of the 1960s, it was an incomplete transformation because it had never been tested in a time of adversity. The prospect of declining high school graduation populations in some regions of the country, combined with double-digit inflation, rising energy costs, and an expensive, intractable campus infrastructure, signaled the need for change. What one had, then, was a consolidation of a managerial and planning approach combined with the university and college becoming a genuinely enterprising institution. One of the most influential analysts of higher education's predicaments (and solutions) was economist Howard J. Bowen. Bowen had served as dean of the business school at Illinois, president of the University of Iowa, and president of Grinnell College before devoting full attention to the economics of higher education as a professor at the Claremont Graduate School in California. At a time when legislatures and a skeptical public questioned the efficacy of higher education, Bowen presented detailed analyses of the costs of higher education and a comprehensive rationale for what he termed an "investment in learning" not only as a benefit for individuals but, more important, as a societal gain.

Despite the predictions around 1980 that large numbers of colleges and universities were doomed to close, the actual institutional survival record was impressive. Recovery was due in large part to a shift from a "managerial revolution" to an "enterprising evolution" in campus governance. Works such as George Keller's *Academic Strategy* made the case that a thoughtful connection of data to decisions was preferable to incremental scrambling.³² It was a timely prescription because federal and state governments were moving toward emphasis on "privatization" and incentives in the allocation of funding. In addition to the impact of this approach to student financial aid starting in 1972, which altered admissions and student recruitment, there was a comparable emphasis on incentives in institutional fund-raising. The basic vehicle to promote campus initiative was the "matching grant"—a strategy pioneered by John D. Rockefeller almost a century earlier but rediscovered by both govern-

ment agencies and private foundations as they challenged colleges to "meet the match" in a mix of resources. In the effort to stimulate support, governments also suspended distinctions between "state" and "private" institutions. In Indiana, for example, the state legislature gave an incentive to individual and corporate philanthropy toward higher education with its generous dollar-for-dollar state income tax deduction to donors who made contributions to accredited colleges and universities in the state.

Changing policies meant that an increasing number of institutions started taking grantsmanship seriously in their quest to make a case for receiving awards from state governments and foundations for new projects beyond "business as usual." Donor prospect research, analysis of demographic trends, and careful monitoring of agency requests for proposals prompted campus fund-raising offices to cultivate a new breed of development professional. And many universities added a vice president for government relations to the presidential cabinet.

The changes in getting and spending in higher education that surfaced in the early 1980s altered not only the campus but also the granting agencies themselves. First, a new generation of individual donors and foundations emerged—exemplified by California's Irvine Foundation—that gave priority to a new agenda of educational issues rather than focusing on individual campuses. Second, the established foundations, such as the Ford Foundation, defined themselves less as a replica of major federal agencies and opted instead to stake their awards on projects that were both innovative and exploratory, with an eye toward the future—including projects devoted to issues such as minority and women students or international studies and global interdependence.³³ Perhaps the most important change was that colleges and universities could no longer assume that they were either the exclusive or the primary beneficiaries of individual or corporate giving.

The States and Higher Education: Coordination and Centralization

One plank in the 1972 amendments to the Higher Education Act of 1964 sought to alter the governance of higher education. Its strategy was for the federal government to provide incentive funds to each of the fifty states that created state higher-education coordinating agencies to act as a liaison between institutions and the federal government. The empha-

sis was on long-range planning, with an eye toward avoiding duplication of academic programs. The program to fund these agencies—often called “1202 commissions”—had mixed results. In some states, coordinating agencies already existed. Elsewhere, the incentive funding stimulated new agencies. There was also variation from state to state in the character of the agencies, which ranged from highly centralized arrangements (e.g., the Regents of the State University of New York or the North Carolina University System) to systems of voluntary coordination. The distinguishing feature of the state councils was to rely on some combination of suasion and coercion to prompt institutions to address statewide questions that an individual campus was unlikely to consider on its own. One novel feature of the 1202 commission funding was its explicit provision that independent colleges and universities were to be included along with state institutions in discussions of statewide public policy. The national organization for leaders was SHEEO, the State Higher Education Executive Officers. SHEEO worked in conjunction with governors in such associations as the Education Commission for the States.

For university presidents, especially at the established flagship state universities, a state council often was a nuisance or a nemesis. The idea that the state university had to file reports and make requests via a state agency represented a departure from customary lobbying in the state capital. At best, state coordinating commissions prompted individual colleges and universities to consider collective questions about mission that campus presidents on their own seldom considered. State councils, however, often found themselves in a bind because their mandate was to make recommendations on budgets, capital construction, closing down archaic programs, and endorsing new programs either to the governor or to the state legislature. But in most cases there was no guarantee that their recommendations would be followed. Even though rational planning might indicate that creating a new law school would be expensive and unnecessary, logic could be derailed by a coalition of state legislators who were adamant that the state university in their home district needed a law school. The upshot was that the state councils changed the dynamics and vocabulary of statewide policy deliberations. Some contributions that emerged during the financially strapped years of the 1970s included incentives for “intersegmental cooperation”—that is, providing some funding for ventures that encouraged, for example, the flagship state university to cooperate with the community colleges and the state col-

leges. Another innovation was the notion of "steady-state growth," whereby a campus would be informed that it could add a new academic program only if it eliminated an established one. The state councils also inserted a new layer of bureaucracy between campus and the capital.

Although most of the publicity went to the increasing federal role in higher education during this period, the states, not Washington, D.C., remained the pillar of government support for the instruction and annual operating budgets of public higher education.

The Development of a Formidable For-Profit Sector

The generous provisions of the Pell Grant program and other student financial aid initiatives had another important consequence for extending the scope of postsecondary education. Because the program had not explicitly defined the kinds of institutions that were eligible, many proprietary schools now petitioned for eligibility to participate in student financial aid programs. Despite objections from "established" colleges and universities, ultimately the newcomers gained a seat at the table and became eligible for student financial aid programs ranging from grants to loans. These gains, however, were continually subjected to scrutiny and attempts at curtailment. Accreditation groups and traditional colleges cited the high default rates among students at some proprietary schools as evidence of lax educational standards and even outright exploitation of at-risk students. The requirement that an institution be accredited provided by itself little assurance that the institution was educationally sound and responsibly operated. By the late 1970s this waning confidence in accreditation as an effective checkpoint had two consequences. First, many state governments undertook their own initiatives to identify and then curb "diploma mills." Second, growing dissatisfaction about the efficacy of voluntary accreditation bodies in policing suspect institutions led to the dissolution of the umbrella agency, the Council on Postsecondary Accreditation, or COPA.

Representatives of the proprietary schools countered allegations about diluted standards and dubious financial practices by pointing out the uncertain quality of many "regular" colleges and universities. They also relied on lobbying and political donations to gain increasing support in Congress. Inclusion spread, and by 1996 one could speak of a formidable new sector known as "Higher Ed, Inc."—a phenomenon that

Richard Ruch has called the "rise of the for-profit university."³⁴ Foremost among such institutions was the University of Phoenix, with a multistate network of sites along with reliance on "distance learning" technology to offer both coursework and degree programs. Like it or not, the presidents of established colleges and universities were forced to acknowledge that proprietary colleges and institutes were unwelcome guests who were going to stay for dinner, especially when the main course was federal student aid.

From Retrenchment to Recovery, 1980 to 1989

Higher-education associations continued in their public relations campaigns to remind citizens and politicians that investment in higher education not only was beneficial to the economy but also promised numerous other social advantages.³⁵ The efforts bore fruit. As inflation dropped and the nationwide economy started to rebound by around 1983, appropriations for higher education picked up. One sign of recovery was that by the mid-1980s most gubernatorial candidates campaigned as "higher-education governors"—calling for partnerships among state government, private industry, and higher education as a way to foster a strong "high-tech" state economy. The governors and university presidents appeared to be looking to the future, but in fact they relied on the historical examples of "Silicon Valley" near Stanford and Berkeley, the "Route 128 Electronics Belt" in the Boston-Cambridge area, and the "Research Triangle" of the University of North Carolina, Duke University, and North Carolina State University. Between 1985 and 1990, numerous universities joined with their state governments to sponsor (and subsidize) research parks and new entities with such intriguing names (and vaguely implied missions) as the "Center for Innovative Technology."

Universities too started to believe their own public relations about their destiny as economic incubators. Economist Charles Clotfelter examined four institutions—Harvard, Duke, Carleton, and the University of Chicago—as part of a 1996 study of cost escalation in elite higher education. He found that institutional ambition and the drive for both quality and prestige prompted institutions to spend generously in the mid-1980s. "Buying the best" became the credo of the elite institutions. The message spread throughout higher education and extended to the quest for top students and faculty along with a commitment to meritoc-

racy and social justice. Moreover, since many institutions had deferred purchases and maintenance in the late 1970s, by 1985 there was a pent-up purchasing drive, which escalated until the October 1987 stock market crash and then the 1989 drop in state revenues.³⁶

Government Relations and Regulation

The "partnership" between higher education and the federal government worked reasonably well so long as it meant that the campus received what it considered to be adequate funding. In such circumstances, government regulation was viewed as a nuisance, but still a necessary price to pay. By the late 1970s this acquiescence had started to dissolve. In 1982 a study group commissioned by the Carnegie Foundation for the Advancement of Higher Education prefaced its report on campus governance with the observation, "There remains in the control of higher education an inherent tension. Colleges and universities are expected to respond to the needs of society of which they are a part—while also being free to carry on, without undue interference, their essential work."³⁷ To university presidents who at that time faced double pressures of increased government regulation and decreased federal funding for research and student financial aid, this characterization was painfully accurate—and familiar.³⁸ Influential spokesmen, including officials with higher-education associations as well as university presidents, brought the issue center stage, arguing that governmental regulation had become unreasonable and excessive. Implicit in this argument was that colleges and universities could be counted on to "do the right thing," with minimal oversight. Federal regulation was wrong, and wrongheaded.

Sociologist Nathan Glazer compared federal regulation in higher education and in business in a study that took up the same theme but brought a historical perspective to the litany of academic complaints. To Glazer, the important historical dimension was that business and higher education had essentially traded places with respect to the federal government between 1910 and 1980. Whereas President Theodore Roosevelt had focused on "trust busting" and bringing large business corporations to heel, colleges and universities of that era were almost always exempted from federal regulatory measures. This tradition of federal restraint continued through the New Deal. Colleges and universities, for example, originally were not required to pay social security taxes or workmen's compensation, or even to provide employees with clean drinking water.

In addition to these basic matters of institutional operation, Congress and the courts had extended great latitude to the American campus in the name of academic freedom. Prior to 1970, for example, it was highly unusual for courts to hear cases involving individual faculty grievances connected with tenure and professional termination. Likewise, hiring decisions and the conduct of academic search committees were considered outside the purview of the courts. Disputes over admissions and graduation were considered intramural matters as well. Nor did institutions have to disclose student records to students themselves.³⁹

According to Glazer, by 1980 the role of the federal government with respect to business and colleges had in many cases reversed. Businesses were increasingly given exemptions and incentives. Colleges and universities, in contrast, were subjected to a growing list of regulations and procedures. An interesting wrinkle in the growing amount of litigation that involved colleges and universities as defendants was that the plaintiffs varied, ranging from disgruntled outsiders to insiders who as members of the campus community felt that the administration and board had treated them improperly. The university had always had critics from outside. More novel was the idea of insiders—faculty, students, staff, alumni—becoming sufficiently organized to mount a formal challenge to the alma mater. These gradual inroads into higher education's autonomy raised two fundamental questions: Who "speaks for" the campus, and whom, ultimately, does the campus represent? And, second, if governmental regulation and intervention were not invoked, how would colleges and universities respond to problems of social justice when left to their initiative? On balance, higher-education institutions continued to retain a great deal of autonomy. Yet there was growing belief that college and universities ought to be publicly accountable for their decisions.

Derek Bok, president of Harvard, expressed concern on behalf of his fellow college and university presidents about the intrusion of the federal government into the basic activities of higher education, reaffirming Supreme Court Justice Felix Frankfurter's commentary in a 1957 case that asserted the "four essential freedoms" of a university: the freedom to determine for itself who may teach, what may be taught, how it should be taught, and who may be admitted to study. Bok's preference was for federal regulations that relied on incentives and subsidies as a means of inducing colleges and universities to comply. The least desirable approaches were rigid rules, procedural requirements, and coercion. To Bok, the federal agencies' insatiable demands for data had reduced the

university to a Gulliver bedeviled by Lilliputians who were binding it with the red tape of contradictory, even inappropriate government mandates. He conceded that some federal regulations had helped curb the most odious kinds of discrimination but felt that on balance, universities were reasonable and responsive.⁴⁰

Despite the fuming by presidents about federal intrusion and micro-management, many constituencies close to higher education had come to rely on federal regulation as their best hope for a fair hearing and perhaps redress in disputes about institutional conduct. Federal regulation had joined with student financial aid programs as a partner in the promotion of social justice on the American campus. The difficult question was how colleges and universities would have behaved if they had been left alone, without litigation or regulation. Would, for example, the composition of higher-education faculty in 1980 or 1990 have differed much in gender and race from its profile in 1960? Even Clark Kerr and other academic leaders conceded that the American university was liberal in its advocacy for others yet conservative in its own conduct. And as Chester Finn pointed out in his 1978 discussion of the "regulatory swamp" in *Scholars, Dollars, and Bureaucrats*, a federal regulation pertaining to higher education arose only in response to some decisive complaint by a constituent.⁴¹

Regulatory Issues and Equity: Women in Higher Education

The status of women in higher education during the 1970s was summed up well by Bernice Sandler and Roberta Hall, who observed that there was a pervasive "chilly" climate for women.⁴² To return to the rudimentary statistical profile of higher education in 1970, at first glance women seem to have achieved reasonable accommodation as undergraduates. Their share of overall enrollments was 41 percent, up from 32 percent in 1950. There was a bit more disparity in figures for graduate enrollments, though again the women's share had increased over time. Women represented 39 percent of graduate students in 1970, compared with 27 percent in 1950. Their representation in faculty appointments beyond lecturer, however, was minuscule.

In 1975 P. J. Bickel, E. A. Hammel, and J. W. O'Connell conducted a careful study of patterns of application and enrollment in Ph.D. programs to plumb the riddle of gender discrimination. Their surprising finding was that when one analyzed each department, men and women

applicants were accepted at about the same rate. Yet in the aggregate, women constituted a fraction of Ph.D. enrollments. How to explain—and correct—this overall disparity? The first step was to explain the gap between departmental and university-wide trends. The answer was that a large number of women tended to apply to oversubscribed departments that accepted only a small percentage of applicants and had a tradition of lengthy years to completion of the doctoral degree. Men, on the other hand, tended to apply to fields that had vacancies and fellowship funding and relatively fast tracks to degree completion. It was the difference between, say, an English department and an engineering department. When women did apply to engineering or chemistry or physics, they were accepted for doctoral study at about the same rate as men. The crucial implication was that undergraduate women were not applying to certain graduate fields.⁴³

Explanations for this phenomenon went deep into the educational system. One finding was that if an undergraduate had not studied calculus as a high school student or as a college freshman, about 50 percent of the undergraduate majors would be off limits. Research by Sheila Tobias found that in the American public school system, girls who excelled in mathematics through middle school and into high school algebra and geometry were suddenly suspending their mathematics studies. Their being steered out of mathematics, not their lack of achievement or aptitude, was creating the critical gap. The transformation of doctoral study enrollments—including bringing more women into the sciences, engineering, and mathematics—depended on changes in advising and mentoring well before undergraduate enrollment.⁴⁴

Incorporating such reforms into the educational system would require years of incubation. In the meanwhile, women in graduate school in the early 1970s were disproportionately represented in selected fields. Their presence was most conspicuous in the humanities, education, library science, home economics, and to some extent the biological sciences, with relatively low figures for graduate programs in law, medicine, business, engineering, and the physical sciences. Surveying all academic fields, women constituted a negligible proportion of the faculty—about 21 percent of the teaching positions in four-year institutions in 1972–73. Furthermore, this presence was skewed toward untenured instructorships, where women represented 44 percent of the faculty. At the same time, women constituted 10 percent of the full professors, 16 percent of the associate professors, and 24 percent of the assistant professors.

By any measure, the difference between women as a proportion of undergraduates and their representation among doctoral degree recipients and campus faculty represented a shortfall. By 1974–75, however, there were signs of significant change. The first professional school to show this was law, followed by medicine. In 1997–98, women accounted for 43 percent of all professional degrees conferred. Within that broad category, women received 45 percent of the law degrees, 42 percent of the medical degrees, 38 percent of the dental degrees, and 66 percent of the veterinary medicine degrees. Whereas women received 10 percent of the Ph.D.'s conferred in 1949–50, by 1984–85 the figure had increased to 37 percent.

Connected to the various discussions about graduate school recruitment was the fundamental issue of educational effectiveness and equity, as played out in the contrast between single-gender colleges versus coeducation. To continue the theme Harold Hodgkinson emphasized in his 1971 commissioned study *Institutions in Transition*, most women's colleges opted to become coeducational. The same was true for historic men's colleges. In one *New Yorker* drawing of the 1970s a stereotypic weary business executive arrives home, slumps in a chair, and notes with incredulity, "My daughter goes to West Point and my son goes to Vassar." The list of historically single-gender institutions that opted for coeducation was long: Radcliffe College merged its undergraduate program with that of Harvard College; Pembroke College was dissolved, and women became a plurality of undergraduates at Brown University. Women had two options for undergraduate education at Columbia University. Columbia College, traditionally all-male, had become coeducational and now admitted women, while Barnard College retained its historical commitment to admitting only women. Amherst, Dartmouth, Princeton, Yale, Wesleyan, Williams, and the University of Virginia were prestigious all-male institutions that opted to shift to coeducation.

Coeducation was not always an even exchange. The formerly all-male institutions tended to gain while the former women's colleges lost. The women who applied to Dartmouth, for example, tended to have SAT scores and high school grade-point averages higher than those of their male counterparts. In contrast, when Vassar College opted to admit men, the admissions staff suffered a double whammy. Male applicants tended to lag behind women applicants in their academic credentials. Even more demoralizing, the college had evidently forfeited its special appeal to highly qualified women who sought the distinctive attributes of an all

women's campus. Meanwhile, the women's colleges that made a deliberate decision to continue their specific mission did well.

One of the more significant episodes of gender equity dealt less with exclusion at the admissions office than with educational programs and opportunities within a campus. Center stage was the 1972 legislation known as Title IX. Its original language set forth terms to prohibit discrimination in educational programs. It also included some exemption for selected institutional categories, including military academies. In practice, though, its terms were unclear. One surprising turn of events was its application to gender equity and intercollegiate athletics. The National Collegiate Athletics Association, which initially had strongly opposed Title IX's being tied to college sports, abruptly changed its strategy in 1981 when it added women's championships and teams to its jurisdiction. Over the next decade several court cases jumped erratically on the question of whether intercollegiate athletics were covered by Title IX if athletics departments were not direct recipients of federal funds. When colleges did make token gestures to include women as student athletes, they were subject to litigation by dissatisfied women's groups. The culmination came in 1997 when the Supreme Court refused to overturn a lower-court ruling in *Brown v. Cohen*, a decision that established elaborate statistical criteria by which a college or university could demonstrate compliance with Title IX.

The ascendancy of women, in terms of both numbers and skill, as intercollegiate athletes was one of the remarkable transformations in American higher education. It was also an unresolved issue that continued to be contentious. Many athletics directors contended that overzealous enforcement of Title IX was causing the financial ruin of intercollegiate athletics. What was often left out of the discussion was the fact that most intercollegiate athletics programs, including the "big-time" programs, had been sources of enduring financial problems and budget shortfalls since the early 1970s—before women's sports programs became a factor.⁴⁵

Regulatory Issues and Equity: Minorities in Higher Education

Affirmative action in hiring initially applied to business and industry. Eventually it was incorporated into higher education personnel decisions, with particular attention to faculty appointments. In a distinct but related development, it was extended to include decisions about stu-

dents, namely admissions policies and practices. After the civil unrest associated with the assassination of Martin Luther King, Jr., and other incidents that brought racial tensions to the fore, numerous colleges and universities initiated measures to promote racial access and diversity. And enrollment patterns for African Americans and other minority groups indicated substantial change. Ultimately, programs geared to increase minority enrollments were challenged in the courts—including the cases of *DeFunis v. Odegaard* and *Bakke v. the Regents of the University of California*. The resolution emerging from the *Bakke* case was that race alone was not allowable as grounds for admissions decisions. However, race taken into consideration with other factors was permissible.

Integration and desegregation had troubling implications for the future of the historically black colleges and universities, the so-called HBCUs. As Henry N. Drewry and Humphrey Doermann reported in *Stand and Prosper*, these institutions had long provided access and instruction for an inordinate percentage of black students—and had done so without benefit of abundant facilities and resources.⁴⁶ Even after nominal integration of higher education in the South and elsewhere, the HBCUs continued to be available, effective, and attractive sources of undergraduate education. However, in the post-*Bakke* era, as well-endowed historically white colleges demonstrated sustained interest in recruiting black students, the HBCUs stood to lose in bidding wars. Could a Howard or a Hampton compete against a Princeton or a Harvard? The answer was yes—sometimes. But it was an expensive contest. The irony of Justice Powell's commentary in the *Bakke* case was his praise for Harvard's admissions program as a model for other colleges to emulate. Indeed, most admissions deans would have relished having Harvard's institutional resources and heritage.

A related irony came about in the late 1990s when former Harvard president Derek Bok joined with former Princeton president William Bowen—then president of the Mellon Foundation—to publish *The Shape of the River*. Here two of the onetime vocal critics of federal government policies and affirmative action sang the praises of the positive impact of affirmative action in promoting racial diversity within the student ranks of the academically elite American campuses.⁴⁷ Once again the solutions that might have been available and effective for a Harvard or a Princeton were not available to a state university in the West or an impoverished college in the South. Furthermore, even when historically white flagship universities did show commitment to recruiting

and welcoming students from racial minorities, there was an avoidance and lack of trust by many black students. The result was that the HBCUs continued to make a disproportionate contribution in terms of both enrollments and bachelor's degree completions by black students.

Policy discussions about equity and minorities became increasingly complex in the 1980s as more constituencies asserted a distinctive heritage and political presence. To speak merely of "minorities" was no longer adequate, now that demographic and educational data on such groups as Asian Americans, Native Americans, Hispanics, and gays and lesbians had elevated awareness of the growing diversity of both the United States as a whole and its potentially college-bound students. Perhaps the best generalization about public policies was their attempt simultaneously to promote access and acknowledge diversity. The new higher-education policy environment included financial aid and scholarship programs that promoted access to mainstream campuses as well as fresh government funding initiatives dedicated to creating new categories of institutions, such as tribal colleges.

The legal environment of the late 1990s was significantly altered by concerted efforts on the part of groups of students and alumni of flagship state universities to dismantle affirmative action, with conspicuous cases unfolding at the University of Georgia, the University of Texas, the University of Michigan, and the University of California. The most dramatic twist in this course of events was the changing role of universities in the South. Whereas in 1950 or 1960 many flagship state universities resisted racial integration, by the year 2000 the opposite sentiment had come to dominate: academic leaders affirmed their commitment to racial equity. John T. Casteen III, president of the University of Virginia, took this courageous public stand in his 1999 "State of the University" address:

The debate about affirmative action oversimplifies Virginia's legal history and the fact of what has been done here to build success in the last quarter century or so.

... [A] morally responsible view of Virginia's history, and specifically of actions taken by the state itself in defiance of law, must acknowledge a second reality of Virginia's actions in our time. Alone among the American states, the Commonwealth of Virginia seized, closed, and locked public schools in 1958 rather than desegregate those schools in accord with orders of the United States Supreme Court. . . . So a unique question needs to be addressed before anyone assumes that our Virginian concern about aca-

demographic access for minority students is the same as all others: What effects linger across generations when children grow up in a culture where as a matter of defiant law, the General Assembly and the Governor chose to close schools and deny education over allowing those children's parents or grandparents to study in classrooms open to every child, regardless of race? . . . Regardless of lawyers' debates, however, the moral imperative is that Virginia and persons who care for her and her children, all her children, must assume an ongoing commitment to remedy the consequences of actions well within living memory.⁴⁸

Casteen argued that in higher education, the past was indeed pertinent to the present and future of our public policies and institutional paths. Meanwhile, various court cases offered colleges and constituents little guidance for achieving equity in college admissions.

The College-Costs and College-Price Debates

Federal scrutiny of higher education intensified when U.S. Secretary of Education William Bennett (himself a former classics professor) raised questions about abuses in the financial aid system. Critical questions led to allegations about higher education's equivalent of the infamous "welfare Cadillac"—the anecdotal report of a financial aid recipient driving a red Corvette during spring break in Florida. On a more substantive note, the expansion of federal financial aid programs led to insinuations that some institutions were chasing federal dollars by artificially raising tuition charges so as to increase a Pell Grant recipient's "financial need."

The allegations prompted a spate of systematic research. As Chester Finn had noted in 1978, the issue was the difference between "price" and "cost."⁴⁹ One controversial finding was that the cost—that is, the actual expense—of educating an undergraduate for a year at a public institution was not much different from that at a private institution in the same geographical area. There was even some indication that state institutions often actually spent more per student than their private counterparts. The systematic research had cast doubt on the convenient stereotype that independent (or private) colleges were havens for students from affluent families. One study in California showed that the concentration of students from relatively high-income families was substantially greater in the flagship state university than in the private colleges. If this was so, then the logical extension was to ask what exactly a policy of "no tuition"

at a state university accomplished. Independent colleges in turn argued that public colleges and universities benefited from a "tuition gap" created by taxpayer subsidies that kept public tuition prices artificially low for a large constituency that could indeed afford to pay a greater share of the actual costs.

Debate escalated when college tuition charges were correlated with inflation, usually as measured by the consumer price index (CPI). It was sometimes alleged that colleges were raising prices faster than the general rate of inflation. Few doubted that American colleges and universities were both expensive and excellent. Whether they were overpriced was less clear.⁵⁰ One thorny problem in answering that question was that the CPI and college tuition were a poor match because they measured markedly different kinds of purchases. Higher-education associations responded with the HEPI, the higher-education price index. And for some comparative policy discussion, higher-education advocates pointed out that the cost of taking care of a prisoner for a year was greater than the expenses of educating a college student at a high-tuition campus. Overlooked in the debates of the mid-1980s were the historical data showing that from around 1975 to 1980, increases in college tuition and charges tended to be less than the annual increases in the CPI. One result of over a decade of double-digit inflation and deferred maintenance was that by the early 1980s, colleges had a backlog of projects; expenses were only now catching up. Another complication that emerged from marketing research was the so-called Mount Holyoke phenomenon: the surprise finding that higher tuition tended to increase the number and academic quality of applicants. Evidently price and prestige were connected in the college applicant's mind.

The college-costs debates hinted at a central fundamental weakness of higher education as a part of public policy: internal conflicts within the higher-education ranks tended to pit the independent institutions against the state colleges and universities. The various sectors within higher education devoted most of their time to waging war against one another. As a result, higher education was seldom able to present a coherent, unified front to Congress. Although senators and representatives were in favor of colleges and universities, they often felt torn on higher-education issues. In contrast, lobbying groups such as the National Rifle Association or the National Association of Manufacturers were able to mobilize requests—and thanks—to legislators on short notice.

The Curricular Wars

Higher-education associations located at One DuPont Circle in Washington, D.C. — such as the American Council on Education, the National Association of Independent Colleges and Universities, and the associations representing public higher education in lobbying and public policy efforts — bickered among themselves about political matters. In some ways the bickering mirrored the curricular debates that had been going on at campuses since 1970. It was characterized by ideological clashes over what was to be taught and according to which perspectives.⁵¹ The conflict was healthy in that it elicited a “marketplace of ideas” within departments and across academic units.

Regardless of how academic administrators or faculty argued about the appropriate content of the curriculum, many of these disputes were settled by another constituency — namely, students who exercised their rights as consumers. Soaring enrollments in such “employable” fields as business, computer science, engineering, and various entry-level professional degree programs prompted colleges and universities to devote increasing resources to funding faculty lines and facilities in these popular fields.

Meanwhile, some of the most bitter ideological debates about the curriculum during the 1980s and 1990s took place outside the popular “employable” fields. Disagreements among faculty about the direction of what was entailed in being an English major, how one defined a canon in literature, or the ideological clashes in history and sociology kindled an interesting energy within traditional fields that were by and large outside the mainstream of massive federal grant funding. To faculty and students in the schools of medicine, engineering, agriculture, and pharmacy, the internal battles of the liberal arts departments were distant and curious, tempests in a teapot. Yet to the faculty in those departments, the battles over “political correctness” and the definition of a field were crucially important, especially if one assumed that ideas and instruction mattered.

The ideological debates within the liberal arts signaled the flourishing of new perspectives and multidisciplinary approaches in such thematic areas as women’s studies, African-American studies, and Hispanic studies. This took two forms: the creation of permanent departments dedicated to such fields, and the integration of these new perspectives into existing departments. Ultimately the intradepartmental debates had an

impact on public policy discussions held in such federal agencies as the National Endowment for the Humanities as their advisory boards and directors reviewed their statements on funding criteria for grant proposals. These curricular debates also led to the creation of numerous splinter groups. What became muddled was whether the typical department of English or history in an American college or university was a champion of allegedly leftist political advocacy or, to another extreme, a bastion of conservatism.

One ironic consequence of the curricular wars was the emergence of a conservative voice among young alumni, especially at the elite historic institutions. Prolific commentators like Dinesh D'Souza and new alumni groups at Princeton and Dartmouth expanded their curricular concerns into charges that colleges had abdicated their traditional sense of reason. For perhaps the first time in memory, recent graduates charged the editors of alumni magazines with having moved too far to the left.

Ambitious undergraduates and their parents largely avoided these curricular debates. However, the debates did prompt the Carnegie Foundation for the Advancement of Teaching, led by Ernest Boyer, to undertake a series of reports that tried to persuade faculty and campus administrators to rethink the undergraduate curriculum and the nature of the college experience. Provocative as these discussions were, they tended to be overrun by certain dominant trends in funding for higher-education research and development.

Research Universities and the Federal-Overhead Controversy

Advocates for the major research universities made the case that these institutions were a bargain for taxpayers and the federal government. Failure to invest in funding for programs, instrumentation, and so on represented a false economy.⁵² Although federal programs were devoting new, expanding resources to student financial aid, it is not clear that advanced research programs had been abandoned. Clark Kerr has pointed out that when indexed for inflation, federal research and development grants to universities went from \$1.3 trillion in 1960 to \$4.3 trillion in 1980 (\$7.5 trillion to \$8.9 trillion in 2000 dollars).⁵³ The rate of annual increases had tapered, even though the actual dollar amounts had not.

Emphasis on social justice had made some inroads even into federal research programs. In response to complaints by university officials and

members of Congress who believed that their favored institutions and regions were being left out, Congress established such programs as Ep-Scor, whose intent was to ensure that research funding was distributed to institutions without a strong federal research record in underserved states. Agencies like the National Science Foundation also dedicated research funds to historically black colleges or to programs encouraging women scientists.

Along with such innovative programs that were concessions to social justice, highly competitive peer-reviewed grants in the sciences remained at the heart of federal research and development. In March 1991, however, this line hit an unexpected snag in a public forum when Congressman John Dingell of Michigan probed Navy Department research grants, especially at Stanford University.⁵⁴ Among the findings was that grant overhead and recovery costs were equivalent to 70 percent of federal research grant dollars awarded. In other words, if a principal investigator applied for—and received—a federal research grant of \$100,000, the host university would receive an additional \$70,000 as indirect recovery and overhead costs for that grant. These grants seemed to be in the tradition of the “Golden Fleece” awards popularized by William Proxmire in response to periodic revelations of seemingly inane research studies funded by federal agencies. But the congressional critics did not consider comparative data. For example, cost overruns on federal contracts with commercial companies that manufactured aircraft or other products for the Department of Defense far exceeded the overhead charges of research universities. Even though Stanford’s procedures were eventually vindicated, research universities lost ground in the forum of public opinion.⁵⁵ Elsewhere, anecdotes about the alleged excesses of grants made good copy for investigative reports. For example, the University of Michigan was scolded for having used federal research grant money to help pay football bowl game expenses, including travel and lodging for alumni boosters and the marching band.⁵⁶

While the foremost research universities were mobilizing to defend their honor and refute their critics, a familiar question about prestige resurfaced. Were the universities historically at the top of the list holding their own, or was there room at the top for newcomers? The conventional wisdom was that the original members of the Association of American Universities, founded in 1900, had maintained their position and prestige. Yet there was also some commentary suggesting that they had used such customs as “peer review” as a means to limit the likelihood

that new grant applicants or researchers outside the elite, established universities would be competitive for prestigious federal grants. Hugh Davis Graham and Nancy Diamond brought the issue to the fore in a study that tackled the question of what had been happening in ratings and rankings among research universities since World War II.⁵⁷ They found that there was indeed some room at the top. Certainly there was a great deal of continuity: Johns Hopkins, Harvard, Columbia, Berkeley, Stanford, Wisconsin, Cornell, and Penn were strong both in 1910 and in 1997. If one extended the roster to fifty institutions, however, the profile was markedly different. Some historic institutions had dropped out of the stakes—for example, Catholic University and Clark University, both charter members of the AAU.

Graham and Diamond noted that the ratings and rankings game tended to emphasize opinions about reputation as well as total federal research dollars a campus received. To counter these tendencies, they devised a fresh ranking system based on scholarly achievements (awards, publications, and honors as well as grant dollars). They also reduced some of the inadvertent tendency for listings of university grant dollars to treat size as a proxy for quality. To overcome this syndrome, they analyzed institutions on a per capita basis. In other words, universities were ranked on the basis of productivity in publications and research grant dollars per faculty member, rather than aggregate number of publications and grants. They found thirty-two universities among the top fifty that could be seen as relative newcomers or “challengers” to the elites. Foremost among these were some of the young University of California campuses: Santa Barbara, San Diego, and Irvine. Other “rising stars” included Brandeis, UCLA, and SUNY Stonybrook.

The comprehensive analysis of changing institutional performance since World War II identified some regional readjustments. Whereas the South had long been dismissed as an academically underdeveloped higher-education environment, the data from Graham and Diamond’s study prompted reconsideration. Emory University, the University of Florida, and Texas A&M joined Duke, Vanderbilt, the University of North Carolina, the University of Texas, Rice University, Tulane University, and the University of Virginia as Southern institutions that were among the sixty-two members of the prestigious Association of American Universities. A corollary of the new ratings data was that when evaluated on a per capita basis, some “obvious” institutions slipped in the rankings (e.g., Ohio State University and Pennsylvania State University).

This slippage sent the message that bigger was not always better in research effort. The intriguing conclusion was that the diffusion of research talent had reached far throughout American higher education.

The preoccupation with research rankings elicited some less favorable responses. The Carnegie Foundation for the Advancement of Teaching, for example, grew weary of ambitious universities using its "Research I" category as a model for aspiration. To defuse this tendency, the Carnegie Foundation reworked its categories, substituting such measures as "doctorates conferred" for "federal research dollars spent" as an organizing principle. Despite this reform, few university presidents or professors heeded the change. Research grants continued to prevail as the currency of the realm.

The impact of these episodes extended beyond the immediate circle of established research universities. More than ever they set the tone and pace for institutional aspiration. At universities where faculty believed that their projects had not received fair consideration in applications to the National Science Foundation or the National Institutes of Health, ambitious presidents devised a strategy to circumvent the tradition of scholarly peer-review boards. The alternative route to federal grant funding was to persuade a supportive member of Congress to attach a "rider bill" to establish a research project as an obscure part of some larger federal works legislation. Who would notice or object to a \$3 million provision to fund an Institute for Asphalt Research to be housed at a state university in one senator's home state if its enabling language were buried in the draft of a billion-dollar highway construction bill? This form of direct appropriations helped some universities close the research dollar gap—and drew the ire of the scholarly research establishment.

The thirst for research resources and accomplishments influenced campus behavior in another way. The expectation that professors should publish and should obtain external research funding worked its way increasingly into both the customary and formal codes for tenure and promotion at the state regional comprehensive universities and at many liberal arts colleges—institutions that had little if any involvement in doctoral programs. This expectation had some plausibility because these institutions increasingly hired new professors who had studied for the Ph.D. at major research universities and understood what research was about. Often they brought with them to their new professional home a demand for the kinds of resources and equipment requisite for serious research projects. A less compelling rationale was that some presidents

viewed research grant dollars as a convenient way to get an infusion of funds for ordinary operations, not new projects.

Whether the pressure for systematic research was originating from the administration or the faculty, the comprehensive state universities and liberal arts colleges were in a bind. They were unclear on a crucial question about institutional mission: Were large-scale research and grantsmanship an obligation, rather than an option, for professors at institutions outside the circle of research universities and Ph.D.-granting universities? According to Martin J. Finkelstein's study of the American academic profession, faculty at the state colleges and other institutions that were belatedly attempting to gain recognition for research encountered the highest degree of ambiguity, if not contradiction, in their roles.⁵⁸ Faculty with heavy teaching loads at institutions whose primary constituents were open-admissions undergraduates were also required to publish books and articles and write successful grant applications—all without much in the way of institutional support. This was the widespread scenario that resulted when the excesses of the research university were mistaken as a model for all of American higher education.

Preoccupation with the elite research universities also distracted attention from some important trends that shaped the character of American higher education at the end of the twentieth century. First, although doctoral degrees were the most coveted academic programs, the underacknowledged "silent success" was the master's degree programs, as documented by Clifton Conrad, Jennifer Grant Hayworth, and Susan Bolyard Miller's 1993 study.⁵⁹ The master's degree was important because it was a staple offering not only at the research universities but also at the comprehensive universities and state colleges. With the addition of a range of master's programs, the state colleges had extended their strong presence within postsecondary education. Whereas in the late 1960s they might have been taken lightly as the "invisible colleges" or the "colleges of forgotten Americans," by the 1990s they had substantial power in their enrollments, in their alumni, and in the politics of higher education. In many states they were responsible for expanding if not creating an educated middle class.

Themes for the Twenty-first Century

The prototypical American campus of the twenty-first century, whether a college or university, was a formidable organization in its local and

state community. Often a college was the largest employer in what was, of course, a "college town." This presence even extended to major cities: Johns Hopkins in Baltimore, Brown University in Providence, Harvard in Cambridge-Boston, the University of Kentucky in Lexington, Indiana University in Bloomington, Northwestern University in Evanston, and so on. Part of this heritage was that the American campus continued to enjoy a variety of tax benefits, including exemption from local property taxes and federal and state income taxes. But the size and success of the American campus also meant that between 1970 and 2000, these traditional privileges were subject to continual review and renegotiation. Necessity often was the impetus to reconsider property tax policies. In Boston, for example, a college, a church, a museum, a charity, or some other not-for-profit organization owned over 60 percent of the land. Ironically, the consequence was that municipal largesse to one group tended to reduce resources for another educational group—namely, public school systems. The intriguing historical change was that some municipal and county governments gave serious consideration to levying property taxes on local colleges and universities.⁶⁰

Some university presidents responded by making voluntary annual payments to the host local government, all the while being careful to avoid using a term, *taxes*, that might set a precedent. Although this measure provided a temporary truce of sorts, it left open another avenue of scrutiny by municipalities, by business owners, and even by the Internal Revenue Service: monitoring campus activities to make certain that they were appropriate to the institutions' educational nonprofit status. The crucial legal criterion was UBIT, an acronym for "unrelated business income taxes." From the point of view of a shop owner, the question was, Why should a college that has a travel agency or a computer sales center in its student union be treated any differently from a private business? Similarly, the property-taxing authorities asked, Why should a university arena that is often used for rock concerts be exempted as an "educational facility"? These were fair, overdue questions. In many cities the university had become not only the largest employer but also the largest landowner and landlord for a wide range of property holdings. As county and city budgets became strapped in the early 1990s, local governments often considered repealing some of the historical wholesale tax exemptions once given to universities. One New York initiative was to levy local taxes on Syracuse University's Carrier Dome. At Indiana University the university golf courses were subject to property taxes.

Predictably, college and university officials tried to turn public opinion against this new wave of fiscal obligation. To do so, however, required the campus to take on the character of Janus, the Roman god with two faces looking in opposite directions. A university could not resist the temptation to share the good news of its successes in fund-raising and grant acquisition and the robust health of its endowment and budget. It was equally quick to remind all constituencies that its fiscal fitness was precarious. Fund-raising and philanthropy had often rescued the American campus in this tension between private demands to provide more, better services while relying less on tax subsidies and public funds. The result was that at a time when its capital campaign was in high gear, a university would still claim that it was hard to make ends meet. In 1994 when the University of Pennsylvania completed its \$1 billion fund-raising campaign (\$1.1 billion in 2000 dollars), the Development Office was obliged to explain to both deans and donors that the university faced a tight budget because most of the money was marked for either endowments or deferred gifts.⁶¹

Even the established, well-endowed colleges and universities relied on accounting tricks to project an image of woe. In 1992, for example, Harvard's annual report taken at face value would have led one to conclude that the cupboard was bare. This was not necessarily the case, however, according to one financial analyst who pointed out the peculiar message Harvard's reports were broadcasting to the public. Despite an endowment of almost \$5 billion (\$6.1 billion 2000 dollars), its annual operating budget was \$42 million (\$51.5 million) in the red. One reason for this profile was the university's use of "fund-accounting" reports, leading to the interpretation that Harvard was "managing its bottom line in such a way as to appear poorer than it really is. The university is in the midst of a plan to reportedly raise \$2.5 billion on top of what is already the world's largest private endowment. Harvard is a bit like the rich man who wears scuffed shoes and a frayed collar when he visits his doctor."⁶²

The private universities such as Penn and Harvard had no monopoly on this sort of public relations effort to persuade various constituencies that higher education was, for all its accomplishments, bordering on starvation. The flagship state university presidents of the 1990s were all singing the same chorus: "We used to be state supported; then we were state assisted; and now we are state located." The claim was not necessarily incorrect. Public higher education in Virginia, for example, could document how a succession of governors and legislatures had reneged

on their pledges to restore severe budget cuts made during the crises of the early 1990s and then allowed to persist during the state's return to prosperity at the end of the decade.⁶³ Presidents of the regional state colleges in Illinois and elsewhere were hamstrung by legislatures that demanded that tuition charges be kept low when per capita state subsidies leveled off.⁶⁴ The Permanent University Fund for the University of Texas and Texas A&M systems was worth more than \$7 billion in 2002. Facilities at the flagship universities are massive, often lavish. As the president of Texas A&M told reporters, "It looks like we must be filthy rich. You need to see all of that and look through it."⁶⁵

These arguments, however, started to wear thin when flagship state university presidents hinted that their state governments had treated them better early in the twentieth century than at the start of the twenty-first century. One president of a Big Ten university, for example, noted in the *Chronicle of Higher Education* that the percentage of the university's operating budget borne by the state government was greater in 1914 than in 2001, having gone from 75 percent just before World War I to about 19 percent at the start of the twenty-first century. But such unadorned percentages, invoked without accompanying institutional data from both eras, are unconvincing, and possibly misleading. Perhaps historical research can leaven the polemics of higher-education discussions. The pleas of poverty begin to stretch credibility when one considers, for example, that in 2002 the University of Michigan had an annual operating budget of \$3.8 billion and a diversified operation of federal research grants, an endowment of more than \$2.5 billion, generous alumni support, out-of-state tuition income, commercial ventures, and patent rights to supplement its state per capita subsidies. One wonders if a professor or administrator at the University of Iowa or the University of Michigan would truly wish to exchange their contemporary workload and compensation with those of their university counterparts of about a century ago.

This chronic whining seems to have sprung from a historical lag between the institutions' self-image and reality. In the minds of college and university presidents, their institutions still languished in a state of being underfunded, underappreciated, and vulnerable—despite having large endowments, high admission standards, and high enrollments. Vice presidents for development celebrated the completion of successful fund-raising campaigns but quickly cautioned legislators and faculty that this was still not enough to provide all the programs a campus ought

to seek. In contrast to this perception of struggling fragility, many constituencies in American society had come to view colleges and universities as what Arthur Levine in 1997 called a "mature industry."⁶⁶ A 1988 article in the *Washington Post* about university competition for multi-million-dollar federal research grants referred to the company of such universities as MIT, Stanford, Berkeley, Wisconsin, Cornell, and Chicago as the "big leagues of science."⁶⁷

The self-serving vacillations of the established colleges and universities, pleading for enhanced funding at one moment and boasting of their abundant good fortune the next, lost them the respect of groups both on and off the campus. One dysfunctional consequence of the continual complaining by presidents at the major research universities was that it drew attention away from institutions that had genuine concerns about adequate support—that is, community colleges and private colleges with small endowments. One explanation that perhaps partially reconciles the paradox of such hunger amid such abundance is that American colleges and universities have wandered into a state of continual expansion characterized by overextension of functions without clarity of purposes, a pattern that has fostered administrative bloat and other spending excesses. It has also created an aura of confusion as to what our colleges and universities ought to assert as their real purposes and appropriate missions. As Bruce C. Vladeck, professor of public health and political science at Columbia University, has observed, "The competition for students and faculty is closely interwoven with the general drive for institutional prestige. Like most people, administrators and trustees are generally eager to do a good job and to appear to be doing a good job. But in higher education, as in most nonprofit services, it is extremely difficult to tell what a good job is, since it is so extraordinarily difficult to evaluate the quality of the 'product.'"⁶⁸

This dilemma warrants little sympathy when colleges and universities are unclear and inarticulate about their primary purposes. If the higher-education community cannot make sense of itself and explain itself to external audiences, who can? The resilience of American colleges and universities over the centuries, especially their capacity to add and absorb new constituencies, new institutions, and changing fields of teaching and research, endures as a remarkable heritage. Yet the ambiguity and uncertainty displayed in recent years with respect to societal roles indicates a drift in mission and character. This was a line of critical analysis raised by Abraham Flexner in 1929 in his series of lectures at Oxford

University, published in 1930 as *Universities: American, English, German*.⁶⁹ And it was a timely concern raised again at the end of the twentieth century by such historians of higher education as George M. Marsden and Julie A. Reuben.⁷⁰ The challenge for higher education in the United States during the twenty-first century is to acknowledge its historical good fortune and to accept its role as a mature institution, along with the responsibilities that accompany that maturity. This task is not a matter of money but of rediscovering essential principles and values that have perhaps been obscured in the recent blurring of educational activities and commercial ventures. By going back to the basics of these fundamental matters of institutional purpose, the diverse constituencies in American higher education can once again connect past and present as a prelude to creating an appropriate future.